

# THE ROUNDTABLE

A QUARTERLY REVIEW OF  
THE POLITICS OF THE BRITISH EMPIRE

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VOL. I      FEBRUARY · MCMXI      N°. 2

## NOTE

**THE ROUND TABLE** is a co-operative enterprise conducted by people who dwell in all parts of the British Empire. Their aim is to publish once a quarter a comprehensive review of Imperial politics, entirely free from the bias of local party issues. The affairs of **THE ROUND TABLE** in each portion of the Empire are in the sole charge of local residents, who are also responsible for all articles on the politics of their own country. It is hoped that in this way **THE ROUND TABLE** will reflect the current opinions of all parts about Imperial problems, and at the same time present a survey of them as a whole. Opinions and articles of a party character will be rigidly excluded.

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**UNITED KINGDOM:** The Secretary, **THE ROUND TABLE**, 175 Piccadilly, London, W.

**CANADA:** A. J. Glazebrook, Esq., Janes Buildings, Yonge Street, Toronto.

**SOUTH AFRICA:** J. Tyndall, Esq., 29 Sauers Buildings, Johannesburg.

**AUSTRALIA:** M. L. MacCallum, Esq., Woollahra Point, Sydney, N. S. Wales.

**NEW ZEALAND:** S. A. Atkinson, Esq., 162 Featherstone Street, Wellington.

**INDIA:** A. H. A. Empson, Esq., Umballa.

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## THE ANGLO-JAPANESE ALLIANCE

THE Anglo-Japanese Alliance can be ended by either party on August 12, 1915, though, if the agreement is not denounced before August 12, 1914, it will continue in force until a year after notice to terminate has been given by either side. The question whether the alliance is to be ended in 1915 or not is already exercising the diplomats of the world, for the destinies of many nations wait upon the result. The diplomats, however, consider chiefly the relations of the great powers, and do not always remember that the Dominions are also deeply concerned. This is not surprising, for the Dominions have played as yet but a small part in the world's affairs, and when the alliance was made exerted no influence over its terms. But these days are passing away, and the Dominions are beginning to look beyond their boundaries, and to take an interest in the settlement of external matters which affect themselves. The Japanese Alliance is one such matter, and it is the object of this article to examine how it is likely to affect the future of the empire, and the parts of which it is composed. For this purpose some preliminary analysis is required of the political structure of the world.

It is usually a little difficult for laymen to understand what is vaguely described as the foreign situation, or to grasp the principles which govern action in the international sphere. The language of diplomacy is so entirely different from what they are accustomed to in their daily lives that it frequently sounds archaic and unreal, and the experts in foreign affairs seem queer, cranky persons who talk as if rapier and bludgeon were still the everyday weapons of princes and men. And, indeed, this impression is true, for, however weak and unwarlike a diplomat may be, he is perilously near an arena where reason and virtue are of small avail.

Lest there be any misunderstanding, let us declare

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bluntly at the outset that where the destinies of nations are concerned the first principles of primitive society, that "might is right," and that the weak must accept the "justice" of the strong, are still in practically unrestricted operation. This may appear a hard saying when applied to peoples who plume themselves on their civilization, but it is true none the less.

As the world is constituted to-day, competition is the universal law of existence. The ceaseless struggle for survival which is a commonplace in nature is a commonplace also of human affairs. We find men engaged in fierce contests for honour, for wealth, for food, for the very right to live. We find them combined in groups and parties fighting for justice or equality, for their rights or for profit, for their opinions or their ideals. We find them, as nations, striving for pre-eminence, for freedom, for the right to grow and expand. Wherever we turn, an unending struggle meets our eyes, and the history of the world centres about our efforts to mitigate its ferocity, and to abate the cruelty and injustice of its fruits.

Civilization may almost be said to consist in the principles and machinery we have devised for resolving this eternal conflict of opposing interests. In quite primitive days most of the disputes between individuals or family groups were adjusted by the use of physical force. By degrees mankind came to realize how absurd and unsatisfactory this method was, and gradually evolved a rough code based on reason and justice, which limited the claims of the individual, defined the rights of society, and laid down the principles on which disputes were to be judged. But people found that unless there was force behind this code, men obeyed it only when it suited them. They therefore gave to kings and nobles the strength with which to compel the strong to obey the laws they framed. After a time the Western peoples found that kings and nobles had become tyrants and obstructed the growth of that great body of law which was gradually simplifying and

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regulating the fierce competition of daily life. During many centuries of effort, therefore, they developed a better system, whereby the function of interpreting and administering the law was entrusted to judges and they reserved to themselves the task of moulding its growth and of controlling the power personated by the police, which enforced the verdicts of the courts.

This system, though far from perfect, is at least better than any that has gone before. It has still many defects, but day by day it is being improved, in order that the weak may be better protected from the cunning and the strong, and justice and reason may prevail over force and fraud. Nor does it apply only among civilized races. Not the least of the achievements of the British race has been that for more than a century it has maintained in India, Egypt and elsewhere a code of civilized law which is an immeasurable advance on the tyrannous system which was all the native peoples had been able to evolve for themselves.

But while we have made great progress within each civilized state, in the international sphere we are still barbarians. Physical force remains the only final method of settling disputes between nations. We may attempt a solution according to the principles of reason and justice, but if one side refuses to abide by the verdict they produce, there is nothing left but war or the submission of the weak to the will of the strong. If Germany were to seize Holland or Belgium and to annex their colonies in Africa and the East, there is no superior authority to whom either Holland or Belgium could appeal for justice or for compensation. If America were to refuse to abide by the terms of the Newfoundland Fisheries arbitration, only a war could compel her to do so. If some of the smaller powers of the world were to commence maltreating the fishermen of any of the British Dominions or to repudiate their obligations to its citizens, the only redress would be the redress that could be won by force. In international affairs the primitive rule,

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that "might is right" still holds good, for either side to a quarrel can insist on a resort to force. In the outer void of world politics there is no reign of law, for there is no law maker; there is no assured justice, for there is no judge; there is no safety for the weak, for there are no police to whom they can appeal.

Why is this? It is because no nation is willing to submit its destinies to a tribunal over which it has no control, or to surrender its armaments to a world authority which will use them to enforce some international code of its own creation. As Sir Frederick Pollock, discussing international arbitration in the last volume of the "*Cambridge Modern History*," writes "No nation will submit to any tribunal the question whether it shall accede to demands which its rulers consider ruinous or humiliating." Thus, every arbitration treaty specifically excludes matters which affect "the vital interests, the independence or the honour" of the contracting parties. As another writer in the same volume says:

"No arbitration court could have ruled out the natural aspiration of Prussia to take her place as the chief unit in a consolidated German people. No authority could suppress the right of France to regard such a development as a menace to her own security. The rival and fixed desires of these two powers could not be satisfied: the arbitrament of force could alone decide the issue."

And what was true of 1870 is true of 1910. Germany to-day is no more willing to limit her armaments, on which she believes her prospects of national expansion depend, at the bidding of an international council or court than was Prussia in the 'sixties. The Dominions would refuse to submit the question of Asiatic immigration to a body composed partly of Asiatics, or of members of those races which display no aversion to the intermixture of blood. Last August Senator Pearce, the Minister of Defence, used

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in the Australian Parliament the following words to clinch his argument for compulsory military service,

"There were those who would say that arbitration was the way to settle national strife; but would Australia be prepared to arbitrate with Japan over the immigration question?"

Even the projected treaty of unlimited arbitration between the United States and the British Empire is important rather as a declaration by two great peoples in the forefront of civilization, speaking the same language, living under similar laws and institutions, and possessed in great measure of the same ideals, that they are determined to avoid war, than as an effective guarantee that they will never bring their armaments to bear against one another should any serious conflict of national interest spring up between them.

It is quite true that great and beneficial changes have been made in the practice of war in the last century. The public opinion of the civilized world, for instance, has enormously mitigated the ferocity of war between civilized nations by refusing to tolerate torture, the poisoning of wells, or the use of explosive bullets, and by providing for the immunity of non-combatants and neutrals. Still more recently public opinion has reached the point when it is becoming the rule that disputes between the most civilized powers turning on the interpretation of treaties, or the financial compensation of individuals, should be settled by arbitration. But as yet nothing has been done to eliminate the fundamental cause of war the conflict of vital national interests, the clash of "irreconcilable national impulses." And so long as the chief nations of the world are determined to remain the masters of their own destinies, force will remain the only final arbiter of quarrels between them.

This does not mean that all international disputes are

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settled by war. Far from it. In most cases the conflict of interest concerns some trifle which civilized nations, at any rate, are willing to settle by arbitration or compromise. But even minor differences can be settled by these means, only where both parties are reasonable. Either side can force the quarrel to the point where the other must fight or yield. For instance, if Russia had persistently refused compensation and redress when her ships fired on the North Sea fishing fleet, Great Britain would have been faced with the choice between war and retreat from her just demands. That is why every international complication is dangerous. One side may be unreasonable, and then the other has to choose between fighting for its rights and abandoning them at the demand of the other. Great Britain is notoriously willing to solve disputes in which it is involved by reasonable means, but if her opponent shows fight she must accept the challenge or—run away.

Even when vital interests are concerned, or when one side to a minor dispute refuses to compromise or arbitrate, war does not always follow. The immense complexity of modern life, and the terrific dislocation and loss caused by war, has made civilized powers very chary of embarking on an actual trial of strength. Many disputes, therefore, which justice and reason cannot resolve, are settled by the test of force, but not by war. The relative military strength which the two parties are in a position to muster on the scene of conflict is estimated by diplomatic means, and the solution is determined accordingly. If either side is obviously stronger the other accepts the fact and gives way. If they are reputed equal they have either to compromise or let war decide where the real strength lies. In 1904 both Japan and Russia—each thinking itself the stronger—refused to come to terms, and war ensued. In 1908, while Austria was ranged against Russia alone, the war clouds hung low. Directly Germany threw her “shining armour” into the scale, they disappeared. The balance was upset, and Russia gave way. As Captain Mahan says,

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"The balance of forces influences continually and decisively the solutions of diplomacy."

Thus the possession of strength is the condition of success, almost of existence, in the international sphere. It is necessary to peoples who value their liberty, like the nations of the Empire, because without it they must bow to the wills of those stronger than themselves. It is necessary to peoples who aspire to national greatness, like the Germans or the Japanese, for without it they cannot make for themselves a "place in the sun."

National strength, which is thus essential to liberty and greatness alike, can be obtained only by effort and sacrifice. If a people is very numerous or very rich, or is very fortunately situated, it may develop the force it needs within itself. But if, as is commonly the case, it cannot do so, it must protect itself by buying the assistance of its neighbours. That is why almost the whole world is linked by "ententes" and alliances designed to maintain the balance of power. Foreign politics centre on the constant effort of the aspiring "nationalist" powers to upset that balance in their own interest, and the not less constant struggle of the peace-loving powers to maintain it.

As this paper deals with the Japanese Alliance, it is important to be quite clear what an alliance means. An alliance is nothing more nor less than a business bargain, negotiated on strictly business principles. Each side has something which the other wants—usually protection against third parties—and an exchange of that commodity is effected on terms which are settled by the relative bargaining strength of the two parties. No alliance can be had for nothing. One nation can only induce another to go to war on its behalf if it, too, will agree to fight the battles of the other. Moreover, an alliance need involve no real sympathy or friendship between the parties, no identity in aspiration, no similarity in civilization, no community of interest or policy even, except in the sphere to which the alliance relates and during the period for which it operates.

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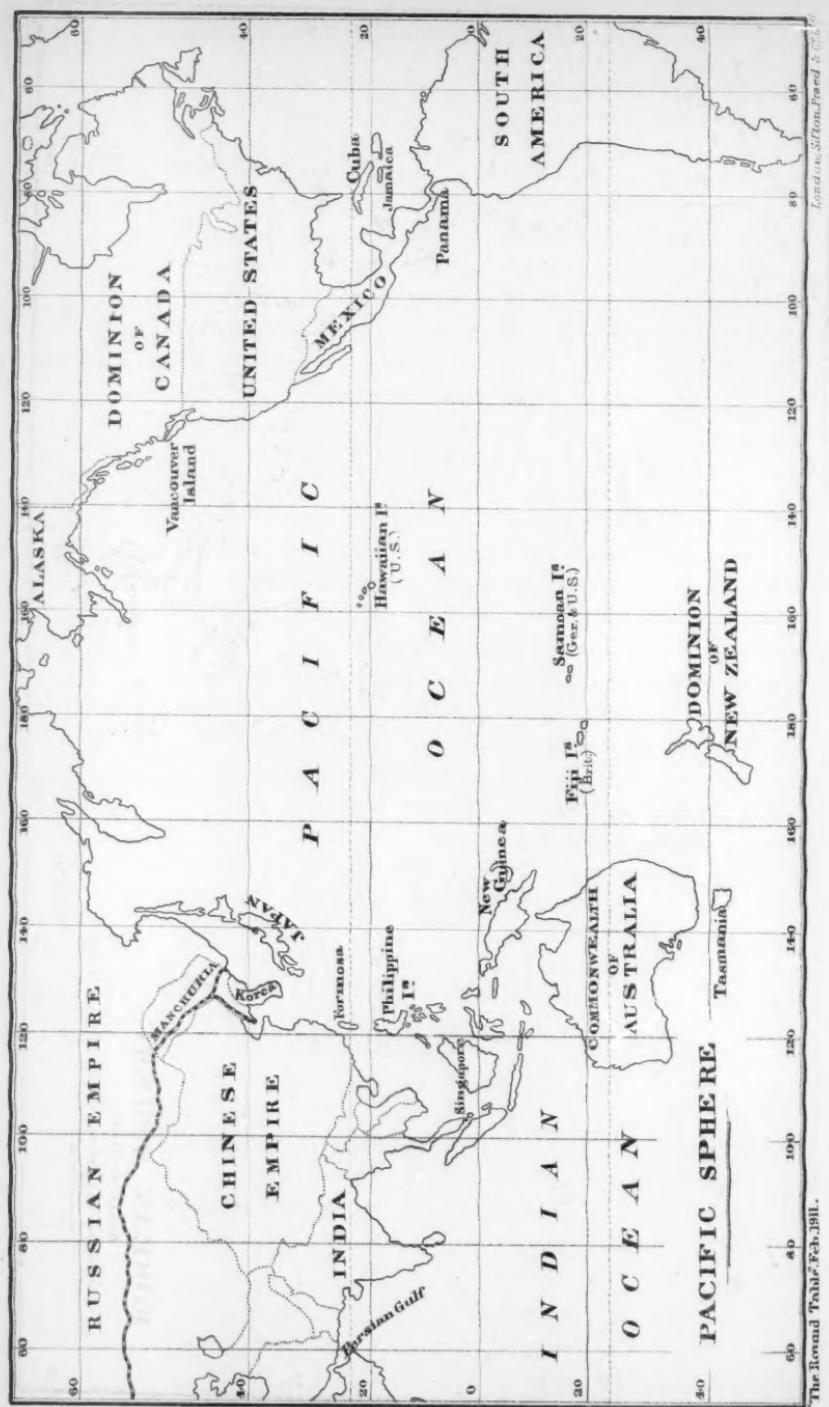
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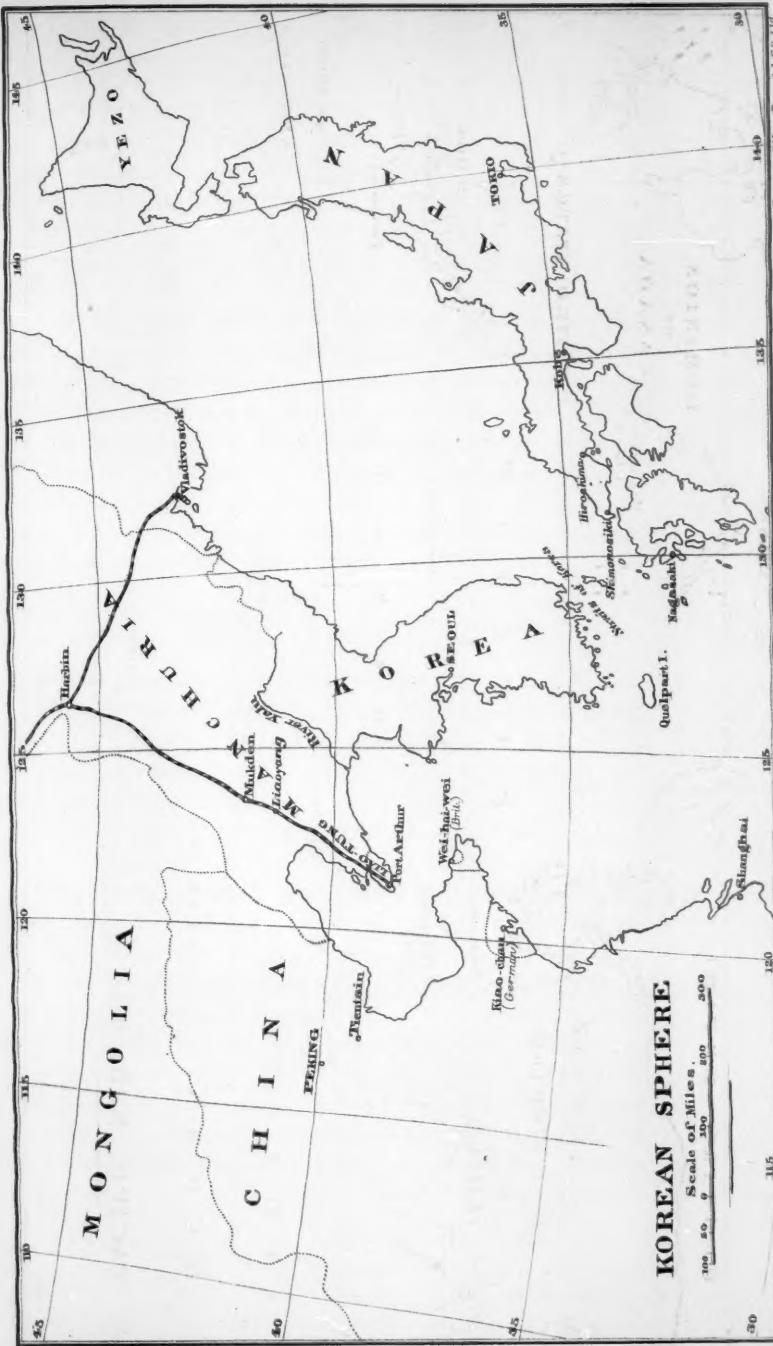
It implies no obligation of honour, save such as is written in the bond. Sentiment may grow up about an alliance as in the case of Germany and Austria, or it may not, as in the case of Italy and Austria, but that does not alter the fundamental principle that alliances are based on nothing but the mutual self interest of the parties concerned.

Alliances are thus the loosest and least permanent of human partnerships. For this reason, and because the strength of nations is constantly changing, the balance of power is proverbially unstable. And as peace and their safety depend on the maintenance of this delicate equipoise of ententes and alliances, it is not surprising that foreign policy seems very important and absorbing to the great nations of the world. It has not hitherto been of much concern to the Dominions, because their interests have scarcely come into conflict with those of foreign powers. But, as we shall see, they are beginning to do so, and when the conflict becomes acute the Dominions will find their future more and more determined by what goes on abroad, and will realize, as they cannot realize to-day, how indispensable is strength, when the fate of nations is at stake.

We understand, now, why the layman feels so unfamiliar in discussing foreign affairs. He is accustomed in his daily life to the peaceful settlement of disputes according to well-recognized principles of reason and justice, and a sphere in which law does not apply and in which decisions are reached by quite different methods is naturally strange to him. He is used to the obligations of friendship and a generous honour, and the harsh and ruthless principles which govern the international sphere seem barbarous and unreal. We understand, too, the paradox that while civilized individuals have finally laid aside pistol and sword, civilized nations are day by day piling higher and higher the burden of their armaments. An individual can trust his freedom and his rights to the care of judge, jury and police, but a nation can rely on nought but its own right arm and that of its friends. Nothing else counts—neither







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the sympathy of foreign nations nor the public opinion of the world, as our Boer fellow countrymen found ten years ago when England was execrated by all the peoples of the earth. In the last resort it is on the effective strength that a nation can bring to bear in guns and ships, and in men possessed of the nerve, courage and skill to fight them, that its national honour, its national ideals and its national future depend.

Few will deny that this is perilously near barbarism. Yet it is the plain fact of the situation to-day, and as such we must base our calculations upon it. Some day events may persuade the nations to abandon their armaments and to forego the right of moulding their own national destinies. Till that time comes—and the spirit of “autonomy” which flourishes even in the peace-loving Dominions, is no omen of its near approach—war and the diplomacy of force will remain the only final solvent of international disputes.

### II.

THE astonishing growth of Japan into a first-class world power dates from about 1870, when the fruits of Japan's first contact with civilization began to appear. Before that time Japan lay chained in feudalism of the most rigid type. There was a small and ornamental aristocracy of court families, related to the Royal family. Then came the Samurai—a purely fighting class, pledged to die on the mere command of the great territorial nobles, the Daimio, who were real masters of the country. Below the Samurai were the farmers, artisans and traders, who were practically serfs, compelled to follow their fathers' walk in life, with no voice in the conduct of affairs, with no rights as against the Samurai. In a community such as this there was no real freedom. There was no recognized system of law, no organized courts of justice, and no competent legal officers. Torture was an incident of every trial, and death the penalty for the most trivial offence. There was no

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education and no learning. The profession of Christianity was forbidden under the severest penalties. It was even a capital offence for a Japanese to leave Japan. The system of government was not unlike that which prevailed in England in the days of the later Saxon or the earliest Plantagenet kings, when the real business of government lay with the great feudal barons.

No sooner did the Japanese begin to move out from their own islands into the great world beyond than they discovered that they were regarded as semi-barbarians, and laboured under disabilities not imposed upon civilized peoples. They found that while in civilized countries foreigners were subject to the national laws, in Japan every power insisted on establishing courts of its own, where its national laws were enforced, and in which alone it would permit its citizens to be tried. The Japanese recognized at once that this extra-territorial jurisdiction was the badge of inferiority imposed by the civilized world on communities incapable of maintaining law and order within their territories. They determined to free themselves of the stigma, and to win recognition as one of the great powers of the world. Within twenty-five years they had revolutionized the whole mode of their national life and customs, and had literally swept away the methods which had prevailed for a thousand years. Torture and other barbarous customs disappeared, the privileges of the Samurai were abolished, and the best talent of Europe and America was enlisted to organize the machinery of government, the railways and telegraphs, and the army and navy. The common people were freed from their disabilities and a democratic system of government, based on the German model, was set up. Large provision was made for general education, and as a result a vigorous and independent press sprang into being.

So rapid and complete was the transformation of primitive Japan into a well-governed, orderly, enlightened and tolerant country that in 1894 Great Britain entered into a treaty by which she renounced her extra-territorial

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rights and agreed that her citizens resident in Japan should be subject unreservedly to the jurisdiction of Japan. This was the first time that an oriental state had been accepted as a member of the comity of nations. But so convincingly did Japan prove her fitness that by 1899 all the great Western Powers had followed suit, and Japan took her place in the world as a sovereign civilized state.

No sooner had Japan abandoned her traditional policy of isolation than she found herself necessarily involved in relations with foreign powers. The story of these relations, commercial and political, is a striking example of the principles underlying international politics.

Japan's first dealings were with Korea—that great arm of the Asian mainland, which stretches out to within a hundred miles of Japan. There were continual disputes between them owing to the corruption of the Korean Government and its total inability to maintain order, either among its own subjects or foreign residents. These disputes were important mainly because they eventually involved Japan in a serious controversy with China, which claimed a shadowy suzerainty over Korea and was jealous of the new star in the East. For a time, however, the peace was kept, and in 1884 China and Japan signed a treaty defining the conditions on which armed intervention in Korea should take place, if it eventually became necessary.

At this moment, however, a new power appeared upon the scene. Russia, who had gradually extended her empire across Siberia to the Pacific, found it essential to secure an ice-free port in the East as an outlet for her vast Siberian possessions and as the base for her Pacific fleet. Port Arthur was the obvious place, and Russia made up her mind that to protect her access to it, and to consolidate her position in the East, she must incorporate Manchuria and Korea in her domains.

As soon as the Russian plan was disclosed Japan saw that her whole future was at stake. If Russia were allowed to occupy effectively Manchuria, Korea and Port Arthur, the

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Japanese hopes of becoming a great power and of leaving the impress of their personality on the East were finally doomed. They would be debarred from the mainland and confined to their own narrow lands—a few islands which could never contain population or resources sufficient to enable them to make headway against the gigantic if slow-moving Russian Empire, once it was firmly established across the straits of Korea. If Russia achieved her purpose Japan would exercise no more influence on the politics of the East than do Holland or Belgium on the destinies of Europe.

There was thus a fundamental conflict of national interest. Russia's future in the Far East depended on her annexing an ice-free port and its hinterland. Japan's future depended on her occupying the very territories which were essential to Russia or at least converting them into an allied buffer state. The situation contained all the elements of tragedy. Two powers each driven by the pressure of necessity claimed the right to expand and grow. There was not room for both. Their interests were irreconcilable. Compromise was as impossible between them as it is between two rivals for the hand of a lady. One or other had to prevail, and the drama moved steadily to its appointed end.

Russia early began to take advantage of Korean mis-government to forward her interests in that country. Japan immediately tried to force on the reform of the Korean government so as to remove the excuse for Russian interference. But in doing so she fell foul of China, and in 1894 war broke out between them. Japan at once gave proof of the vitality of her progress by defeating the Chinese by land and sea with consummate ease. She demanded as the price of peace the cession of Port Arthur and the Liao-tung peninsula on which it stands (which would make her influence paramount in Korea), of Formosa and other islands in the Japan seas, and of trading privileges for Japanese citizens in Chinese ports. China accepted the terms, and the Shimonoseki Treaty was signed in 1895.

But Russia was not willing to see her prospects destroyed

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by a flanking movement on the part of an insignificant oriental state which she thoroughly despised. She instantly set in motion the ruthless machinery of force which governs events in the international sphere. The European powers were then thinking about the partition of the supposedly moribund Chinese Empire. Here was their chance. Let them save China from humiliation and their reward they could fix for themselves. Russia, Germany and France, therefore, rapidly agreed upon a plan of action. Their representatives presented a collective note to Japan in which she was urged to forego the cession of territory on the mainland, on the ground that any foreign power possessing Port Arthur would dominate Pekin. Japan was powerless to resist the combination and to insist upon her treaty rights, and agreed to the proposition. Force carried the day. Then the three powers presented their bill to China. Russia took the lion's share. In 1895 China granted her the right of constructing railways through Manchuria, and three years later leased to Russia for ninety-nine years the very territory and port which Japan had been made to surrender on the ground that the foreign power occupying them would be able to exercise undue influence on the Chinese government in Pekin. Germany obtained the lease of Kiao-Chao and a hinterland of 200 miles. France gained Kuang-chou-Wan in Southern China, and Great Britain, that she might not lose all prestige in the Far East, secured the lease of Wei-hai-wei, a port on the southern shores of the Gulf of Pechili, for so long as Russia kept Port Arthur.

This was a bitter blow to Japan, and worse was to follow. The Boxer outrages gave Russia an excuse for massing troops in Manchuria, and for pressing on the connexion between the trans-Siberian railway and Port Arthur. Moreover a palace intrigue, in which some Japanese adventurers had been involved, and which had ended in the murder of the Queen of Korea, had destroyed Japanese influence in Korea some years before, and thrown its government into the hands of the Russians. Japan saw that the crisis in her

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national destinies had arrived, and began to prepare to put the issue between herself and Russia to the only final test within her reach—the test of war. The Anglo-Japanese Alliance of 1902—of which more anon—ensured that the struggle would be confined to the Far East, and that the European intervention of 1895 would not recur. Various attempts were made to define by agreement the status of Russia and Japan in Korea and Manchuria, but without avail. In 1903 the quarrel took an acute form. Under a Russo-Chinese treaty of 1902 Russia had agreed to respect the integrity of China and to evacuate Manchuria. The evacuation was to take place in three stages on definite dates. Despite emphatic protests from Japan Russia declined to carry out this undertaking except at the price of further concessions. Six months later war broke out, with the result that the Russian forces in the Far East were defeated and driven back into Siberia. The treaty of Portsmouth (August, 1905) practically re-enacted the Shimonoseki Treaty of 1895 which had been torn up by the greedy intervention of Europe. Manchuria was to be evacuated by both armies, the lease of Port Arthur and the Liao-tung peninsula were ceded to Japan, and Japanese influence in Korea was recognized as paramount. At the same time the Anglo-Japanese Treaty was renewed in a strengthened form for ten years.

The war settled the conflict of interest between Russia and Japan on the time-honoured principle that "might is right." A balance of force was established at a point about the centre of Manchuria. Japan could push Russia no further. Russia could make no headway against Japan. Japan had won everything required by her national future, Russia had to abandon her ambition to become a great Pacific power—at any rate for a time. Nor did Japan delay long in reaping the fruits of victory. Five years after peace was signed Korea was incorporated in the Japanese Empire. Japan has now a territory of 245,000 square miles instead of 160,000 square miles and a population of 62,000,000

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instead of 50,000,000 souls from which to draw men and resources when the next international settlement is made in the Far East.

Why did the United Kingdom enter into the Anglo-Japanese Alliance in 1902 and renew it in strengthened form in 1905? Let us look at the actual terms of the agreements.\*

The earlier alliance was entered into on January 30, 1902, for a period of five years. Its object as set forth in the preamble was to "maintain the *status quo* and general peace" in the "extreme East," to preserve "the independence and territorial integrity" of China and Korea, and to secure "equal opportunities in those countries for the commerce and industry of all nations."

Article one declares that while both powers are "entirely uninfluenced by aggressive tendencies" Japan has special interests in Korea, and Great Britain in China, and recognises the right of each to take action to protect its interests if "threatened by the aggressive action" of any other power. Article two provides that if either power becomes involved in war with another power in defence of its respective interests (i.e., in Korea or China) the other will "maintain a strict neutrality, and use its efforts to prevent other powers from joining in hostilities against its ally." According to Article three if either ally is attacked by more than one power in defence of its special interests as aforesaid, the other must come to its assistance and conduct the war and make peace "in common."

The official reasons for the treaty of 1902 are those already quoted from the preamble. But it is not difficult to judge of the underlying motives. It was quite obvious that Japan and Russia were rapidly drifting into war. The chief objects of Great Britain were to prevent that war from growing into a general international armageddon as a result of European intervention, to save China from the dismemberment which would probably follow that intervention, and which would close the "open door" and convert the Far

\*The agreements are printed in full at the end of this article.

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East into a great theatre of international friction and quarrel, and to maintain the balance of power in the "extreme East" by guaranteeing Japan from destruction by a coalition as selfish and ephemeral as that of 1895. These objects, in the judgement of the statesmen of the day, could best be achieved by isolating the approaching conflict so that Russia and Japan should settle the issue between them by themselves. Thus Mr. Balfour—then Prime Minister, in explaining the treaty to Parliament in February, 1902, said:

"It is neither good for us that Japan should be crushed, nor that through a coalition of the powers she should be obliged to mould her policy in a direction antagonistic to our interests... There can (now) never be two powers ranged against Japan alone any more than that there can be two powers ranged against us alone in the Far East."

As the event proved the treaty of 1902 served its purpose, and Russia and Japan were allowed to fight out their quarrel undisturbed.

As the war drew to a close, and negotiations were in train for the Peace of Portsmouth, the Anglo-Japanese agreement of 1902 was replaced by a new and stronger treaty dated August 12, 1905. This treaty differs in important respects from its predecessor. The preamble again defines the common objects of the contracting powers as peace, the independence and integrity of China, and the preservation of the "open door" for the commerce of all nations. But instead of being confined to the "extreme East" (China and Korea) it relates to the "region of Eastern Asia and India," and to the "special interests" of the two parties in that region. The treaty then goes on to define these special interests. It acknowledges Japan's "paramount, political, military, and economic interests in Korea," and recognizes her right "to take such measures of guidance, control, and protection in Korea as she may think necessary to protect those interests provided the open

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door is maintained there to the commerce of all nations." It declares that Great Britain has "a special interest in all that concerns the security of the Indian frontier," and recognizes her right "to take such measures in the proximity of that frontier as she may find necessary for safeguarding her Indian possessions." Finally, the treaty provides that if by reason of "unprovoked attack or aggressive action" on the part of one or more other powers either ally should be involved in war "in defence of its territorial rights or special interests" as already defined, the other will "at once come to the assistance of its ally, and will conduct the war in common, and make peace in agreement with it."

Thus, the second treaty which was to last for ten years, and longer if not denounced, compelled either ally to assist the other if even a single foreign power attacked its interests anywhere in the "regions of the Far East and India." It is obviously a much more comprehensive and far reaching instrument than its predecessor.

Why did Great Britain want the treaty? There were two chief reasons. In the first place there was the situation in the Far East. The general interests of Great Britain as before were those already quoted from the preamble. But now that Russia had been defeated only two powers could bring any effective strength to bear in the territorial waters of Eastern and Southern Asia, Great Britain and Japan. If these agreed to assist one another to protect their frontiers, whether in India, or the Far East no other power or combination of powers, could hope to attack them with any prospects of success. So long as the alliance continued, therefore, it guaranteed the greatest interest of the Empire in the Far East, peace and the security of India.

But this in itself was no sufficient motive for entering into so close and binding an alliance with Japan. There was a second and new reason, the growth of the German Navy. By 1905 it had become quite clear that Germany was well on her way to construct a navy more powerful than the whole British Navy of that day, and that her policy was not

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friendly to the British Empire. In foreign affairs Germany's aim, forced on her by the necessities of her situation, was national expansion and the professed and indeed the natural object of her naval policy was to put an end to the world-wide supremacy of the British Navy, and by limiting its effective radius, to increase German influence in the disposition of the world's affairs. In face of the unceasing development of the German Navy, the British Government had no option but to concentrate in the North Sea a force sufficient to ensure the safety of the British Isles. Unless it was to add enormously to the already huge burden of taxation for defence it could only do this by denuding the naval stations which had guaranteed British supremacy elsewhere. How then were the Dominions and the Dependencies to be adequately protected?

The method England adopted was to convert the Japanese alliance of 1902 into that of 1905. If Japan had been free to pursue a policy hostile to British interests, and still more if she had been free to ally with one of Great Britain's European rivals, the position of British possessions in the Pacific and Indian oceans would have been precarious indeed. But so long as Japan was friendly the Pacific coasts of Canada, Australia, and New Zealand, the sea frontiers of India, and the East coast of Africa were safe from attack, for there was no other power which could reach them with modern ships of war. The alliance guaranteed the friendship of Japan for at least ten years. Its importance, therefore, to England has been that it has allowed her to concentrate her resources against the menace of the German fleet, has guaranteed the peace of the Far East, and the safety of the Indian frontiers, and has protected the Empire against the hostility of Japan. Its value to Japan has been not less great. It has enabled her to concentrate on consolidating her position on the mainland of Asia, free from all thought of foreign intervention. It has given her the peace which is vital to swift recovery from the exhaustion of war. And it has kept the only other

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power which could bring effective force to bear in the East, a friendly ally instead of a suspicious rival.

### III.

BEFORE we go on to examine the changes which have taken place in the international sphere since the conclusion of the 1905 Alliance with Japan, we must turn aside to trace the history of the problems connected with Asiatic immigration into the great Dominions of the Empire. For though few people have yet realized it, these problems, which have been of small importance in the past, are likely to exercise a profound influence on the foreign policy of the Empire in the future.

For the purposes of this article a very brief history must suffice. If any reader requires further detail he will find the whole subject admirably handled by Mr. Richard Jebb in a paper read before the Royal Society of Arts in April, 1908. The history falls into two periods: from 1855 to the Colonial Conference of 1897, and from that Conference to the present day. The restriction of Asiatic immigration began in Australia as long ago as 1855, when Victoria passed a law which served as the model for all subsequent legislation up to 1897. This law discriminated openly against Asiatics—specifying the Chinese—by limiting the number of Asiatic immigrants in proportion to the tonnage of the ship bringing them, and by imposing on each a landing charge of £10 or more. It was adopted with small variations in subsequent years by all the Australian colonies, by New Zealand, and by Canada. In South Africa the question did not arise, for there was no considerable immigration of free Asiatics, though the Natal government in order to develop its sugar plantations began shortly afterwards to import British Indian labour under indenture.

In 1897, however, Natal found that the colony contained nearly as many Indians as white men, in addition to 1,000,000 natives, and passed the famous "Natal

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Act," intended to restrict the immigration of free Indians not under contract to labour. This Act defined a prohibited immigrant as any person "who when asked to do so by an officer shall fail to himself write out and sign in characters of any language of Europe, an application to the Colonial Secretary in the form set out in the schedule." In the same year the question of Asiatic immigration was fully discussed at the Colonial Conference, and the policy of exclusion was upheld by all the Dominions. But it was generally agreed that discrimination on the ground of race or colour was undesirable as being needlessly offensive to British Indians, and to Asiatic powers. In consequence the "Natal Act" prescribing the writing out "at dictation a passage of fifty words in a European language, directed by the (immigration)officer" has now been adopted by all the Dominions except Canada, which still imposes a head tax of £100 on every Chinese entering the country. The policy of exclusion, thus uniformly adopted in 1897, is still the official policy of the Dominions. Thus, in December last, General Smuts the South African Minister for the Interior announced to Parliament, amid general approval, that the policy of the government was "not to let Asiatics into the Union." The adoption of universal compulsory service in Australia and New Zealand during last year, is a striking testimony to the determination of the Australasian people to preserve their countries for the white races. The British Columbia legislature has for many years been passing acts discriminating against Asiatics, which have not become law only because they have been disallowed by the Dominion Government as being contrary to treaty obligations—as will later be described. It is quite clear that, as Mr. Alfred Lyttelton expressed it two years ago, "the self-governing Colonies are irrevocably determined not to admit the effective competition of Asiatic races within their borders."

So much for the facts. Before going further let us examine the reasons for this policy, and see whether it is likely to

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change in the near future. There is a natural tendency in all new countries—states whose territories are wide and resources great, but whose inhabitants are few, to import or attract from outside the labour with which to develop their native wealth. We find instances throughout the history of Greece and Rome, more recently in the slave traffic for the plantations of the Southern States of America, and in quite modern times in the engagement of contract labour for the South African mines, and the elaborate system now at work for recruiting and transporting the free labourer of Europe to the United States, Canada and Australia.

The young democracies of the British Empire, however, soon discovered that there were grave objections to the introduction of certain classes of labour. They found that uncivilized or semi-civilized coloured labour, while tiding over temporary economic difficulties, brought with it evils infinitely greater. Cheap coloured labourers were ready to accept wages on which no civilized man could subsist, and so by underselling the white man in the labour market brought into being large numbers of those "poor whites" who have been such a problem to America and to South Africa. They sent a great part of their wages out of the country and contributed little to the public revenues. Many of them, too, fell victims to the vices and diseases of civilization, with obviously evil effects on the society which harboured them. Moreover, a constant infiltration from the lowest strata of humanity was found to be quite incompatible with the steady elevation of the material and moral conditions of the community as a whole. At a very early stage, therefore, the Dominions made up their minds to forego the profits which followed the exploitation of their natural resources by cheap coloured labour, rather than burden their countries with the evils of a permanent "colour problem."

During the last few years, however, the problem has taken a new form. So long as the would-be immigrants were semi-civilized coolies no great difficulty arose over exclusion.

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But what was to happen in the case of educated and civilized people like the Japanese? It is impossible to regard the Japanese as uncivilized, though some of the poorest classes may be more backward than the corresponding classes of Europe. We have recorded their astonishing development during the last 40 years. They have fought and won some of the greatest battles in all history. They have self control, resource, courage and perseverance in the highest degree. They have initiative and energy, and they are law abiding. In medicine, in industry, in trade, they are well abreast of the rest of the world, and their system of government is more efficient, and even more democratic than that of some of the members of the European concert. There is no more striking testimony to their practical efficiency than the relative figures of loss from disease in the Chino-Japanese war of 1894 and the Russo-Japanese war ten years later:

DEATHS PER 1,000 TROOPS.

Japanese-Chinese War			Japanese-Russian War		
Cases.	Cholera.	Deaths.	Cases.	Cholera.	Deaths.
82.87	Typhoid.	50.96	None.	Typhoid.	None.
37.14	Malaria.	10.98	9.26	Malaria.	5.16
102.58		5.22	1.96		0.07

To quote the statement of the Japanese Surgeon-General: in the Russo-Japanese war

"We established a record of four deaths from bullets to one from disease. In the Spanish-American War fourteen men died from preventable sickness to one man killed on the field of battle."

In the South African war nearly two men died of disease for every one killed in battle.

And it is not the Japanese alone who have won the right

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to be treated as respectable civilized folk. There are many individual Chinese and Indians, who are capable of enjoying all the privileges and discharging all the obligations of the citizen of a Western State, who are in fact more truly civilized in the best sense of the word, than immens numbers of people in any white community. It is pure prejudice to blind one's eyes to this fact. How is this new factor to be dealt with? Does the decision of the Dominions to exclude Asiatics relate only to unskilled and semi-civilized Asiatic labour, or does it apply to Asiatics as such?

There is not the slightest doubt that the objection of Anglo-Saxon communities to Asiatic immigration applies to all classes of Asiatics, if they come as permanent residents. The basis of this objection is not shallow prejudice, but a deep-rooted instinct of self-preservation. The white peoples of the Dominions feel that the Chinaman, or the Japanese is essentially different from themselves, that they themselves are not strong enough to assimilate him if he comes in large numbers, and that his presence therefore threatens the very basis of their society. This fundamental belief is expressed in the sentiment common in all the Dominions bordering on the Pacific—that Asiatic immigration is “incompatible with the intention of building up an indigenous democracy of the British type.”

We may, perhaps, be allowed to probe a little into the root reasons for this belief. Western civilization is the product of many centuries of struggle and experiment on the part of the ancestors of the white races of to-day, and is essentially a European product. Since the beginning of the Christian era it has been influenced to an astonishingly small degree by the East. Its modern religious ideas, its conception of liberty, its morality, its political machinery and social conventions, the principles of its law, are essentially Western. The elements of this intricate system we imbibe in the first moments of our lives. Its spirit envelops our growing years, no alternative to it is ever set before us, and by the time we reach maturity it has become a part

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of our very nature. We scarcely question its essential truth even if we are alive to its many defects, and are eager for their reform. We certainly are not prepared to see it undermined, or to endanger the prospect of its development for the sake of immediate economic gain, or because the protection of it may make difficulties with our neighbours.

On the other hand, ours is not the only civilization. The East also has a civilization which is far older and which is fundamentally different from that of the West. There are many variations within it, more numerous, perhaps, and more profound, than within our own, and after the sleep of ages it is awakening to absorb some of the externals of our Western system. We need not inquire which is the better, or prophesy that the ideas of the West will prevail over those of the East, or the reverse. Time will determine that, and for the present our ignorance of the East is such that even a true comparison cannot be made. It is enough to recognize that in the root principles affecting conduct and belief they are different. Yet the Oriental, by the time that he comes in contact with Western peoples, is as fixed a product of his civilization as we are of ours. Even the Japanese, who have adopted the material paraphernalia of the West more rapidly and more completely than any Eastern people, are strangely unfamiliar at close quarters. They cherish ideas, especially in the social and moral sphere, which are frequently even repellent to white men. It is hopeless to expect a few short years of intercourse to bridge the gulf. Orientals may learn something about the practical conduct of affairs from us. We may learn something of philosophy from the Chinese, and of the spirit of self-sacrifice from the Japanese. But the Chinese and the Japanese will no more abandon in the near future what they believe to be the best elements in their civilization, than we will abandon the noblest principles of our own.

In this fact lies the essential difficulty about Asiatic immigration. It is not that the Oriental is inferior to the Caucasian, but that he is different. He cannot be assimilated.

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lated. He cannot be fitted into our political, social or economic structure. He is for ever a foreign element. The difference in appearance, in colour, in language, in ideas, in temperament, in history, in customs, in beliefs, in everything save the most elementary human instincts, is too great to be overcome except by the lapse of ages. Asiatic immigrants into a white community, whether they are educated and skilled or not, remain for generations oversea deposits of Oriental ideas, Oriental traditions and Oriental ambitions.

There is no need to enlarge upon the evils produced by the racial cleavage at the present day. The economic dislocation of white society, and the riots and general weakening in the sense of tolerance and justice it produced among the white communities on the Pacific slope, are still fresh in peoples' minds. Moreover, in times of excitement the Japanese immigrant becomes a source of grave national danger. Unlike the European immigrant, he does not settle down into a loyal citizen of his adopted land. During all his stay he never ceases to be a Japanese patriot. It is an article of religious belief with him that he can never surrender his national obligations, nor cease to be a Japanese. He is never taken off the registers of his native land, he is never freed from the duty of fighting for his country in time of need. Yet, if, owing to race feeling or colour prejudice, he is maltreated, or is placed under legal disabilities, as has been the case frequently hitherto, his only resource is to appeal to the Mikado. We all know what is likely to happen when one government begins to interfere in the domestic concerns of another on the appeal of its distressed citizens—the history of the Uitlander agitation in the Transvaal is an exact case in point.

If we look ahead the prospect is no brighter. When Asiatics have settled down as permanent residents in any considerable numbers, the cleavage, now apparent in the economic and social sphere, will appear in politics, and then it may disrupt the State. For the Asiatic will find himself

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subject to grievances or disabilities which only political action can remedy. He cannot be permanently subjected to political servitude without injustice and without grave danger of revolution. When he gains the vote he is certain to form a separate political group, alien from the mass of the population, foreign in sentiment and aspiration, distinct in manners and customs, inspired by a different code of morality and different ideals. This group, possessing no patriotic instincts towards the country of its choice, will act in its own interests, selling its voting power to the highest bidder, as is the universal experience in democratic countries. We find a political cleavage persisting for generations in the case of racial types as similar as English and Irish, British and Dutch, French Canadian and British Canadian, with grave detriment to the State. Is it not likely to be permanent between Caucasian and Oriental, reinforced as it is by a complete separation in the economic and social spheres, and by colour and appearance? And how is a community to thrive with this canker at its heart? The very word community, indeed, ceases to apply.

Is it to be wondered at that the Dominions are determined to resist at all costs an immigration which brings in its train such problems and such evils as these?

Two quotations in support of what has here been written may usefully be appended. The first is from one of the leading Australian dailies—the *Sydney Morning Herald*—and is taken at random from the issue of August 27 last.

“They (Asiatics) are representative of a civilization older than our own, and the centuries of heredity which this implies have evolved thoughts which are not our thoughts, and ways which are not our ways. And hence we, as being in greater degree than any other Western country under the shadow of Asia, have to choose between exclusion or extinction of our own type of civilization. And in this we have the justification of the white Australia doctrine.”

The other is more striking still. It is taken from the mani-

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festo of the Asiatic Exclusion League of North America—a body with an immense membership, and with branches in British Columbia. It was produced at the time of the anti-Japanese riots a few years ago, and is couched in extravagant and insulting language. None the less, it reflects faithfully the medley of motives, high and low, which go to make up the unalterable resolution of the inhabitants of the Northern Pacific slope to exclude Asiatics from their shores. The manifesto reads, We

“ protest against the continuance of Asiatic immigration upon the exalted grounds of American patriotism for the reasons (1) that they are utterly unfit and incapable of discharging the duties of American citizenship; (2) their introduction into our national life will impair and degrade our cherished institutions; (3) are aliens to our ideas of patriotism, morality, loyalty, and the highest conceptions of Christian civilization; (4) their presence is degrading and contaminating; (5) with their low standard of living, immoral surroundings and cheap labour, they constitute a formidable and fierce competition against our American system and unless prohibited will result in the irreparable deterioration of American labour; (6) the living in our midst of a large body of Asiatics, the greatest number of whom are armed, loyal to their government, entertaining feelings of distrust, if not of hostility to our people without any allegiance to our government or our institutions, not sustaining American life in times of peace, and ever ready to respond to the calls of their own nations in times of war, make these Asiatics an appalling menace to the American Republic.”

### IV.

IT seems clear, from the foregoing, that the Dominions are opposed to Asiatic immigration in all its forms. They not only abide by their earlier objection to the entry of Asiatic labourers. They have declared against the incorporation within their society of civilized and educated

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Asiatics. The adoption of this policy, coupled with the rise of Japan, has introduced an entirely new factor into the international situation. Its far-reaching importance can best be judged by tracing the attitude of Japan towards the doctrine of Asiatic exclusion during the past fifteen years.

It will be remembered that in 1894 the British Government recognized the status of Japan as a civilized power, by agreeing to the abolition of its own extra-territorial jurisdiction. At the same time a treaty was signed between the two countries granting certain mutual commercial privileges, guaranteeing the rights and liberties of traders and sailors, and containing a clause giving to the subjects of each power full liberty to enter, travel, or reside "in any part of the dominions and possessions of the other." This clause, in some form or other, is indispensable to all commercial treaties, if there is to be any considerable interchange of trade. The British Government, however, was aware of the anti-Asiatic sentiment of the Dominions and a further clause provided that the treaty should not apply to any of the Dominions or to India except with their consent. Natal and Newfoundland decided to accede in 1895. But the other Dominions declared that they would only become parties to the treaty provided they could retain full right to legislate against the immigration of labourers and artizans. The condition put forward by the Dominions was based on a proviso embodied in a commercial treaty between Japan and the United States (1895), but went beyond it in that it asked for the right to exclude artizans as well as labourers. At first Japan would only agree to the exclusion of labourers. But after protracted negotiations the British Ambassador at Tokio was able to carry his point and to persuade the Japanese Government to allow any of the Dominions to become parties to the 1894 treaty amended by protocol so that it should not affect

"the laws, ordinances, and regulations with regard to trade, the immigration of labourers and artizans, police

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and public security which are in force or which may hereafter be enacted."

The treaty in this form was terminable by either party subject to a year's notice. By this time, however, anti-Asiatic opinion had further developed, and after a full discussion at the Colonial Conference of 1897 all the Dominions except Queensland (which has since again receded) decided to refuse the treaty even on these terms.

In 1906, owing to the rapid development of trade both in Canada and in the Far East, the Canadian Government found it desirable to place commercial relations between Canada and Japan on a proper footing. To quote Sir Wilfrid Laurier:

"We passed a commercial treaty because we expect to profit by it. We have a growing trade with Japan. We send flour from Ontario and the West, lumber from British Columbia, cattle from Ontario."

The Canadian Government, therefore, asked the British Government to arrange that Canada should become a party to the 1894 treaty. Before consulting Japan the Secretary of State inquired whether Canada wished to retain the right to exclude labourers and artizans by a protocol similar to that agreed to by Japan in 1897. The Canadian Government replied officially that it was prepared "to adhere absolutely and without reserve" to the treaty as originally drafted. This decision was apparently based on a statement by the Japanese Consul-General at Ottawa, confirmed in other ways, that his Government would refuse to enter into any commercial treaty which involved its admitting Canada's right to differentiate against the entry of Japanese, but that immigration would "always be restricted voluntarily by Japan." Accordingly Canada, with the assent of her Parliament, became in 1906 a party to the treaty of 1894, which was, however, to be terminable on six months' notice by either side. Scarcely was the treaty concluded

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when, owing to labour troubles in Hawaii—an American possession—large numbers of Japanese began to enter British Columbia. No less than 10,000 entered in a single year, and a large influx of British Indians and Chinese occurred at the same time. Under the treaty the Canadian Government had no power to exclude the Japanese, and anti-Japanese riots immediately broke out in British Columbia. The Japanese appealed to their Government, the Government protested, and the situation became serious. A Canadian minister was therefore sent to Tokio to negotiate a settlement with the Japanese Government. The result of his negotiations is embodied in the following important letter:

“Tokio, December 23, 1907.

“Monsieur le Ministre,—

“In reply to your note of even date, I have the honour to state that, although the existing treaty between Japan and Canada absolutely guarantees Japanese subjects full liberty to enter, travel, and reside in any part of the Dominion of Canada, yet it is not the intention of the Imperial Government to insist upon the complete enjoyment of the rights and privileges guaranteed by those stipulations when that would involve disregard of special conditions which may prevail in Canada from time to time.

“Acting in this spirit, and having particular regard to circumstances of recent occurrence in British Columbia, the Imperial Government have decided to take efficient means to restrict emigration to Canada. In carrying out this purpose, the Imperial Government, in pursuance of the policy above stated, will give careful consideration to local conditions prevailing in Canada with a view to meeting the desires of the Government of the Dominion as far as is compatible with the spirit of the treaty and the dignity of the State.

“Although, as stated in the note under reply, it was not possible for me to acquiesce in all of the proposals made by you on behalf of the Canadian Govern-

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ment, I trust that you will find in the statement herein made, proof of the earnest desire of the Imperial Government to promote, by every means within their power, the growth and stability of the cordial and mutually beneficial relations which exist between our countries. I venture to believe, also, that this desirable result will be found to have been materially advanced by the full exchange of views which has taken place between us, and it gives me special pleasure to acknowledge the obligation under which I have been placed by your frank and considerate explanations regarding the attitude and wishes of your Government.

" I avail myself, etc. etc.,

" (Signed) TADASU HAYASHI.

" The Honourable Rodolphe Lemieux,

" Postmaster-General and

" Minister of Labour for Canada.

" Tokio."

It has since been stated at Ottawa that the Japanese Government also agreed to limit the number of immigrants to 400 a year, and not to allow any of them to proceed to Canada except under contracts approved by the Dominion Government.

The importance of this letter is not, as is sometimes urged, that British Columbia is protected only by a declaration that it is not the "intention" of the Japanese Government to insist on the "complete" enjoyment of the rights and privileges guaranteed to it by the treaty," for Canada can recover full liberty of action within six months by foregoing its commercial privileges. Its importance consists in the proof it gives of the change in the attitude of Japan. In 1896 Japan was willing to enter into a commercial treaty which would give the Dominions the right to exclude her labourers and artizans. Ten years later she refused even to discuss the idea. The letter is studiously courteous and polite, but it refuses the slightest concession on the main point. It reserves to Japan the most complete liberty of action.

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It is quite clear that Japan is now as jealous about the rights and privileges of her citizens as any European power. She will not tolerate their being treated as if they were undesirables or uncivilized. As Mr Jebb has pointed out, the demand of the Japanese Government to-day is not merely that she should be given the status of a civilized nation, but that her citizens should be treated on exactly the same terms as the members of white communities. Thus Australia, like Canada, has found that her growing trade with the Far East renders commercial treaties desirable, and has endeavoured to negotiate a treaty with Japan. But Japan steadfastly refuses to enter into commercial arrangements so long as Australia claims the right to exclude the Japanese. Further, she protests against the European language test on the ground that it is a stigma on the Japanese language, and Australia has found it expedient to meet her wishes, leaving the selection of the language to the individual officer. Her claims, in fact, if admitted, would nullify all attempts at restriction.

Moreover, the attitude of Japan is not dictated only by considerations of national honour. The right of immigration is of great value to her. Her citizens leave a country where the standard of living is very low, and after accumulating wealth in the white man's land return with it to Japan. Merchants and shipping companies make their profit on the business, and the Government levy their toll on all alike by means of taxation. Further, as we have seen, such Japanese as fail to return do not repudiate their allegiance, and may be a source of immense strength to Japan in the event of war with another power. So great has been the immigration of Japanese into Hawaii—an American possession and the only naval base in the centre of the Pacific—that competent authorities declare that it would become a Japanese possession on the outbreak of war. It is said that the same is rapidly becoming true of the Phillipines. If ever Japan aimed at incorporating part of Australia within her domains, obviously the first step she would take would be to encourage or compel the immigration of her citizens into

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the Northern territories. Once they had occupied the land, the transfer of sovereignty would be comparatively simple.

If it is certain that the Dominions have finally determined to exclude Japanese and all other Asiatics from their territories, it is equally certain that Japan is not going to acquiesce in that decision, without at least a "quid pro quo."

Why has the problem of immigration grown increasingly difficult where the Japanese are concerned, while Canada can go on cheerfully discriminating against the Chinese by imposing an entry fee of £100 upon every one who enters the country? The reason is clear enough. Japan has created for herself a powerful army and navy, and because she has them her friendship is worth having, and her wishes carry weight. In the case of China, as Sir Wilfrid Laurier said, "There was nobody to protest and we had no hesitation in adopting that policy" (of discrimination). It would be more accurate to say that China can do nothing but protest, whether her citizens are treated unjustly or not. The protests of the Chinese are backed by "speeches and resolutions," the protests of the Japanese by "blood and iron."

The immigration difficulty has never yet become serious in the case of the Dominions, for, owing to the Alliance, Japan has never pressed for the rights of her citizens as she has in the case of America. It has thus been possible so far to keep immigration and commercial relations in a separate compartment, so to speak, from the broader questions of international politics. There is, however, little reason to expect that the present state of affairs will continue indefinitely. On the one hand commerce between Japan and the Dominions is increasing and requires regulation, on the other Japan is becoming more sensitive about the status of her citizens and refuses to enter into commercial treaties except on the basis of equality of treatment. Moreover, anti-Japanese feeling seems to be growing stronger at any rate in Canada. If the immigration difficulty is not solved it is bound to complicate sooner or later the foreign relations of the Empire. And if it does, and if feeling begins to

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run high, the situation is likely to be serious. For disputes over immigration must be classed among matters affecting the "vital interests, independence and honour of nations." Neither side would agree to submit the essential point to arbitration, and therefore in the last resort, if both parties were unreasonable, the quarrel could be settled only by the use or display of force. The dangerous possibilities of the question may be seen from the general conviction in the United States that war with Japan is ultimately inevitable. Let us realize at once that a real quarrel over immigration would make a continuance of the Anglo-Japanese Alliance impossible, and might range Japan in definite hostility to the Empire.\*

Before discussing how this affects the situation in the Far East, let us see if the immigration difficulty cannot be settled on its merits and put out of the way.

Fortunately, agreement would not seem to be impossible, if both sides are reasonable. At bottom the objection of the Dominions is not to contact with Asiatics—Chinese, Japanese, or Indians, except of the lowest class—but to their becoming permanent residents in their territories. They are not really opposed to the entry of educated Asiatic merchants, travellers or students, provided it is quite certain that they do not acquire domicile, and that they leave the country again after a relatively short time.

On the other hand, the Japanese appear to regard Europeans in much the same way as the Dominions regard Asiatics. They also seem jealous of the purity of their own society, and determined to protect themselves against white competition within their own country. Not only do they entirely exclude Chinese labourers—a provision which would certainly be applied to European labourers, if they attempted to enter Japan in any considerable numbers—but Europeans are not allowed to acquire land—the prelude to domicile—and are subject to many other restrictions of which outsiders have little knowledge. These re-

\*See note at end of article about new Japanese Treaty with America.

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strictions, while they hinder the acquisition of domicile, do not prevent the free entry of visitors, for the Japanese realize well enough that the presence of educated strangers, merchants, financiers, and others is not only no menace, but a positive advantage to themselves.

It would seem, therefore, that an agreement could be reached which would settle the immigration difficulty and pave the way to stable commercial relations between the Dominions and Japan, on the following basis. That each race should have the right of excluding altogether labourers and artizans of the other race, but that educated persons, travellers, traders, students and so on, should have free entry, but under such restrictions as would prevent them from becoming permanent residents. There are some practical difficulties in the way, but these are certainly not insurmountable. Such an arrangement could not offend the "honour" or damage the "vital interests" of either party. It would be based upon the recognition of absolute racial equality. It would not raise the question of inferiority one way or the other. It would simply declare that the incorporation of considerable numbers of one race in communities of the other race produced grave evils for both races, and as such was not desired by either party, and would be prevented by common action. It is said that the Japanese have raised objections to a general settlement on these lines, but it has never yet been pressed upon them with the united strength of the whole Empire.

### V.

WE have now to draw together the threads of this paper, to examine the changes which have come about recently in the international sphere, and to discover the conclusions to which they point, both as regards the future of the Anglo-Japanese Alliance, and the relations of the Dominions to the government which conducts the foreign policy of the Empire.

The changes in the international situation as it affects the Far East have been neither few nor unimportant. We can,

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however, do no more than allude briefly to the chief among them.

There is the recent Russo-Japanese agreement, scarcely six months old, by which Russia and Japan agree to abstain from "all competition" with one another in the common development of Manchuria, and to co-operate in maintaining the status quo established in that country by the treaty of Portsmouth and other agreements between China, Russia and Japan. This is a great change. In 1905 Russia and Japan were at war. In 1910 their antagonism had become overshadowed by their common interest in Manchuria, as against China to whom it belongs, and those other powers who seek special commercial or financial interests within it.

There is the change in China. The old idea that China was destined to be partitioned among the great European powers has now vanished to the limbo of unfulfilled prophecies. Progress and reform are the watchwords of the day. The army and navy are rapidly becoming efficient under Western guidance. Education is spreading fast. Within a few months China will have established a system of representative government. The anti-opium movement is a striking testimony to the reality of her efforts at self-regeneration. As in Japan, national sentiment is rising. The old negative, anti-foreign prejudice is giving way to a positive sentiment of national ambition. With a population—according to the last census—of over 430,000,000 of the cheapest and most industrious workers in the world, China is bound sooner or later to dominate the East, unless she becomes divided against herself. And this the pressure from the greedy competition of foreign powers seems certain to prevent.

There is the understanding between England and Russia about Persia and Afghanistan, which for the present at any rate removes much of the anxiety about the Indian frontier.

There is the growth of hostility between the United States and Japan, due partly to difficulties connected with Asiatic immigration on the Pacific slope, partly to a supposed conflict of economic interest in the commercial deve-

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lopment of China. The influence of the United States as a Pacific power will be greatly enhanced on the opening of the Panama Canal in 1915.

There is the change caused by the rise of the German navy—foreseen in 1905, and now realized. What the effect of that has been can best be seen by examining the altered disposition of British naval strength. The two following tables set it forth clearly:

### BRITISH MEN OF WAR IN EASTERN WATERS

	<i>Armoured</i>	<i>Unarmoured</i>	
	<i>Battleships</i>	<i>Cruisers</i>	<i>Cruisers</i>
1901	5	4	29
1902	4	2	26
1903	5	2	25
1904	5	3	24
1905	5*	3	18
1906	—	3	17
1907	—	4	15
1908	—	4	15
1909	—	4	15
1910	—	3	16

This table includes ships on the Pacific, China, Australia and East India stations.

### DISPOSITION OF BRITISH BATTLESHIPS

	<i>Far East</i>	<i>Mediterranean</i>	<i>Home Waters</i>
1903	5	14	16
1910	—	6	33

And even these figures do not expose the full measure of the change owing to the immense advance in battleship construction in the last few years. All the Dreadnought battleships and cruisers, each of them far more powerful than ships

\* Reduced to nil after signature of Alliance.

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of the older types, are now concentrated within hail of the North Sea. The contraction of the area in which the British navy can claim undisputed command of the sea, indicated by these figures, is entirely due to the rise of Germany as a naval power. It illustrates vividly the essential importance of the possession of force in the international sphere.

Finally, there are the difficulties connected with Asiatic immigration into the Dominions. These introduce an entirely new factor in the relations between Great Britain and Japan. Up to the time of the 1902 Alliance Japan's whole thoughts were concentrated on the approaching war with Russia. When the present alliance was concluded, hostilities were still proceeding. It is only since her victory over Russia, and since she has become the strongest power in the Pacific,\* that the rights and status of her citizens abroad have acquired a high and significant importance in her eyes. As we have seen, if both sides are reasonable, there seems no insuperable obstacle to a settlement of the difficulties which now exist. But if no agreement is reached Asiatic immigration is bound to raise issues of the most insoluble kind—for they lead straight to the world problem of the future—the relations between the white and yellow races—a matter which will be finally determined neither in our time, nor in that of our children.

It is thus quite clear that the international situation to-day is quite different from that which produced the alliance in 1905, and that by August, 1914, it will have changed still more. Whether or not at that time the alliance will be denounced by England or by Japan, will depend entirely upon the mutual self interest of the two parties. If it suits both, the alliance will continue. If one finds that it can do better for itself elsewhere the alliance will come to an end. As to which is the more probable recent events give no clear lead.

But one conclusion is evident from the analysis in the

\* In 1910 Japan had 13 battleships, and 18 cruisers in commission, and 2 Dreadnoughts on the stocks.

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foregoing pages—that if any proper decision is to be reached we must in the near future greatly change the internal arrangements of the British Empire. Hitherto the keynote of the relations between the Imperial and the Dominion Governments has been local autonomy. Experience has shown that where local interests are involved, it is best to leave local authorities in charge. But the two questions we have been discussing—Asiatic immigration and the future of the Japanese Alliance—are no mere local concerns, for they cannot be handled effectively by any one part of the Empire. No one Dominion is strong enough to uphold the policy of Asiatic exclusion in its own territories in face of the force that could be brought to bear against it. Nor can England settle the future of the Japanese Alliance in the light of her own interests alone, because the Dominions have it within their power to make the continuance of the alliance impossible by going to extremes over Asiatic immigration. In these matters the Empire must arrive at a common policy, or it will disrupt.

It is this fact which invests the forthcoming Imperial Conference with such peculiar importance. For the first time since 1897 the whole question of Asiatic immigration will be thoroughly discussed, and in all probability it will be the last formal gathering of the Prime Ministers of the Empire before the alliance is terminated by one of the parties to it, or is continued by mutual consent. On both these subjects it may arrive at far-reaching conclusions.

As to the difficulties about immigration it is obviously to everybody's interest that these should be settled and put out of the way as soon as possible. It has been a thorny and difficult subject in the past, and may lead to dangerous complications at any moment. We have seen that a basis of settlement can be found which does no violence to the honour or vital interests of either people. But not only is a settlement far more probable if the Empire presses its views on Japan with a single voice, but the Dominions are likely to get better terms. Yet the Empire has still to agree upon a common

## THE ROUND TABLE

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policy. On the one hand, the British Government has had no direct experience of the question, and while it has raised no obstacle in the way of Asiatic exclusion by the Dominions, it has yet to adopt unreservedly their policy as its own. On the other, the Dominions have still to realize that the problem of Asiatic immigration is no longer a purely domestic concern, because it is inextricably bound up with the larger problem of international relations. And if a united policy is needed to facilitate agreement with Japan it is a thousand times more necessary if agreement proves impossible. In the long run the project of a "White Empire" will only be accomplished if the Empire has the strength to resist the terrific expansive pressure of the teeming millions of Asia. And that strength it will be able to exert only if all its parts are absolutely at one on the policy they should pursue.

When it comes to the alliance the Conference will find itself confronted with the problem of how the Empire is to be defended in 1915. For the moment, barring accidents, it is safe enough, since the alliance protects it in the Far East, and anxiety centres chiefly on the restless policy of expansion pursued by the bureaucrats of Germany. If the alliance continues, well and good; no vital change in our present system is required. But if it is denounced—and Japan can denounce it as well as England—it means that Japan must be included among our possible enemies, and our policy of defence calculated accordingly. Japan is not strong enough to dispense with allies. If we do not come to terms with her, to whom will she turn but to our rivals? Compare the position of Italy, who is notoriously friendly to England, yet whose army and navy are pledged to the Triple Alliance.

This then is the crucial point, that after 1915 the Empire may have to face the hostility of Japan in the Far East, as well as the hostility of Germany in the Atlantic and the North Sea. Before going further let us see what this possibility entails.

Since 1905 the rise of the German navy has revolutionized

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the international situation—another proof of the part played by force in the affairs of nations. In a previous article its influence was shown on the European balance of power. We can now see that its effect on the Empire has been no less great. It has seriously diminished the protection which the British navy can give to the Dominions in time of emergency by introducing the factor of delay. Great Britain, of course, admits without reserve her obligation to defend the Dominions with her last penny and her last man. But the whole defensive system of the Empire to-day centres on the British Isles, because its population pays more than nine-tenths of the cost of the navy. If a successful attack were made on England or its trade, the defence of the Empire would instantly collapse. So long as this remains the case, the British fleet cannot leave British waters until the German or any other hostile fleet has been destroyed or its neutrality guaranteed. That is to say, the bulk of the British navy cannot proceed to the defence of the outlying parts of the Empire until the safety of the heart is assured. And even though ultimate victory is in European waters beyond doubt, what may not have happened elsewhere in the meantime? The Dominions have begun to realize how the rise of the German navy affects themselves, despite the protection of the alliance. Australia and New Zealand have each adopted compulsory military service, and two Colonial Dreadnought cruisers, as well as a number of other modern vessels of war will shortly be afloat in the Pacific.

If the rise of Germany has produced this effect already, what will be its effect in 1915, when the German navy will be at least twice as powerful as it is to-day? And what would be the position if Japan were no longer our ally? Armaments are not only used for defence. To "nationalist" powers like Germany, they are an "instrument of policy"—to be cast into the scales which determine the fate of nations, as national interests require. Thus, the *Cologne Gazette*, an accredited organ of the German Foreign Office, declared

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not two months ago that the "secret of diplomatic success is ultimately military power," and that

"success is reaped only by him who has the courage at the decisive moment to stake all the forces at his disposal without reserve."

And the German Chancellor, speaking in the Reichstag on December 10, endorsed this view in the following words:

"to maintain intact the strength and readiness for war of our army, to carry through the construction as provided by law of our navy—these are demands that belong to the programme of all parties which do not on principle base themselves upon the standpoint of negation. These demands are rooted deep in the sentiments of the nation because it is military strength alone which enables Germany to pursue that policy of quiet determination which the practical efficiency of the people has the right to claim."

We cannot misunderstand what these statements mean, nor forget that the policy of Germany is in the hands of a bureaucracy, created by Bismarck, inheriting his tradition, subject to no effective Parliamentary control. So long as the policy of Germany is hostile to the British Empire—as it is to-day—is there any reason to expect that when next it is urgently necessary for the British navy to leave home waters, the price of German neutrality will not be concessions—territorial concessions in Africa, for example, naval bases in the Atlantic or the Pacific, or whatever the "quiet determination" of a forceful diplomacy can extract. And if any one doubts what would happen let him put himself in the position of a German, fired by patriotic zeal, full of faith in the mission of Germanism to the world, possessed by the idea that the British Empire, by lying selfishly across the path, was compromising his country's destiny. Is it likely that he would prevent his Government seizing such an op-

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portunity, even if in sober moments he longed for the days of universal peace? And what if the other great "nationalist" power of the world, Japan, were ranged in hostility in the Pacific? Would not the opportunities of squeezing England, and despoiling the Dominions be multiplied a hundredfold.

This, then, is the possibility which the Conference has to take into account. It is the worst that can befall us, and we are more likely to forestall it if we face it now, than if we blind our eyes to the facts until it is too late to prepare against them. The Conference itself can reach no final conclusion about the alliance. But it can discuss the advantages and disadvantages of continuing the alliance, so far as British interests are concerned, from the point of view of the Empire instead of from that of the British Isles. And it can consider how the gap in the defensive system of the Empire is to be filled should the alliance end and the protection it now affords to India and the Dominions disappear. That gap must obviously be filled, and if we face the necessity in time it should not be difficult to do so. It might be possible to reach an understanding with Germany. We might find an effective basis for co-operation with the United States if the present difficulties with Washington over Far Eastern policy were removed. Or the Dominions might elect to stand on their own feet and do for the Empire in the East what the alliance does to-day. If they were to spend per head even one-half of what is paid by the people of Great Britain for naval defence, the Empire would be absolutely safe from the possibility of successful attack. For, as the Defence Conference of 1909 declared, the assistance of the Dominions is required not in the North Sea, but in the outer oceans of the world.

But whatever the correct course may be, what is essential is that the Dominions and Great Britain should thoroughly understand one another's views, and should agree upon a common policy. And in order that the Empire may continue to pursue a common policy on matters which concern

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the whole, perhaps the most important practical step which the Conference can take will be to devise some method by which the Imperial Government and the Dominion Governments can keep in consultation with one another in the future. At present, the Dominions have no means of finding out about international affairs. They have no ambassadors and no foreign offices, for diplomacy is chiefly concerned with the balance of power, and the Dominions to-day have little or no force to cast into the scale. None the less, as this article shows, they are vitally affected by the foreign policy of England, and before the Conference meets again the alliance which is their bulwark now, will have vanished, or been renewed. Some machinery, therefore, should be contrived whereby they can be effectively and continuously consulted by the Imperial Government.

They are thus difficult problems which lie before the Empire under the two headings, the Japanese alliance and Asiatic immigration. It may be possible to treat them separately. They may become merged in the gravest danger which has yet beset us. Let us again remember that as the world is constituted to-day, the safety of nations, in the last resort, depends upon their strength and not upon the justness of their cause. The Empire cannot survive by sitting still. It cannot survive if its parts pursue their several ways regardless of the rest in matters which concern the whole. In the growing struggle of nations it will survive only if it can agree upon a united policy, and support it with its whole strength. Hitherto England has been able to conduct the policy of the Empire alone. She can do so no longer. It is not merely that she finds it increasingly hard to bear the burden of defence. It is that neither England nor her Dominions are masters of their own policy. England cannot carry on her alliance with Japan if the Dominions are unreasonable in their treatment of the Japanese and the Dominions cannot secure the purity of their white society without the support of the British navy. Even Canada, as a Toronto paper observed the other day,

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must defend British Columbia in conjunction with the rest of the Empire, if she is not to be forced to accept the assistance of the United States, on whatever terms Washington chooses to dictate.

For the first time the Imperial Conference is confronted with the task of framing a common policy for the Empire, and of deciding on the means by which it is to be upheld. A momentous future hangs upon its work, and in deciding what to do, it has not merely to consider how South Africa is to be defended, or how to preserve Australia as a white man's country, or how to sustain the trade or prestige of Britain, great as these countries are. It has to think of the future of the Empire itself, which is a far greater thing. For if the Empire dissolves, there disappears with it law and good government among many hundreds of millions of subject peoples, who are protected from war and oppression by nothing but the British flag. There disappears the national freedom and individual liberty which the self-governing peoples have enjoyed within the Empire. And then there disappears for ever that great fabric which for a century has given peace and justice to one quarter of mankind, and which may yet give them to the world.

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The terms of the new commercial treaty between America and Japan, announced while *THE ROUND TABLE* is passing through the press, are a striking confirmation of what has been written about the attitude of Japan towards the question of immigration. In the 1895 American treaty Japan agreed to allow America to pass any laws it liked excluding Japanese labourers, and as we have seen, she was prepared in 1897 to allow the Dominions to exclude artizans as well. In the new treaty the clause relating to the exclusion of labourers is omitted, and America, like Canada, has to rely on a declaration of Japan's intention not to permit her citizens to sail for America. In consequence the commercial treaty is terminable at six months' notice, an arrangement very inimical to the development of trade. This treaty proves how difficult the question of immigration becomes when it is handled by two people unfriendly to one another. It proves also that both sides anticipate that circumstances may arise at any time which will make it important that they should recover complete liberty of action with the shortest possible delay. It is a proof of the extreme importance of attempting a general settlement of the immigration problem as soon as possible, if the Dominions are not to live under an arrangement affecting the vital

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interests of the Empire which is unstable, temporary, and which is no guarantee against the outbreak of grave trouble at any time.

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### NOTE ON INDIAN IMMIGRATION TO THE DOMINIONS.

There seems to be no reason why the principles which have been suggested as the basis of settlement for the difficulties connected with Japanese immigration, should not be equally applied in the case of the British Indian. Exactly the same arguments apply. The incorporation of large numbers of Indians in communities predominately European, and *vice versa*, is highly injurious to both peoples; the entry of educated persons is unobjectionable provided they and their families do not become permanent residents. This solution affects the question of the British Government of India, neither one way nor the other. The British rule India partly because their international position compels them to do so, partly because having destroyed the old tyrannous system of Indian government they cannot relinquish the responsibility of governing the country until they have built up an efficient system of native government which can replace them. But they do not become incorporated in the social and economic life of the country. Practically the whole of the white governing military and commercial classes return eventually to the British Isles. Speaking generally, white families never become permanently domiciled, and, therefore, the real evils which follow from the intermixture of races never arise. In fact the Government of India would probably be the first to interfere if any considerable number of white men attempted to settle permanently in India as workmen or agriculturists. A basis for agreement, therefore, already exists, although the practical difficulties in the way of carrying it out are not entirely easy to overcome. None the less, if the Imperial and the Dominion Governments were to declare that in the joint interest of India and the Dominions, it was the policy of the Empire to prevent the permanent settlement of members of the one race in countries mainly peopled by the other race, most of the present difficulties would disappear. The friction with the Dominions would come to an end if they were freed from the spectre of Indian immigration, and the natural indignation of the Indian people would diminish if educated and civilized Indians were allowed temporary entry to the Dominions, and if the exclusion of Indians as settlers was grounded not on a narrow colour prejudice, but on a general policy, applicable to India as well as to the rest of the Empire. Half the trouble to-day is due to the fact that the white population in the Dominions only comes into contact with the lowest classes of Indian labourers, and is, therefore, contemptuous and inconsiderate. An arrangement like that suggested would gradually eliminate this cause for friction, while it would establish as the ground of exclusion not the inferiority of all Indians, but the common interests of Asiatic and Caucasian. It is true that it would finally destroy the fiction that there is absolute equality of opportunity for all British subjects everywhere under the Union Jack. But this is a fiction which has long ceased to exist in practice. The preceding article has proved that the Dominions are determined not to permit the entry of Indian settlers. And it has proved that India can only suffer from the introduction of any large number of permanent settlers of European stock. The policy of exclusion has seemed a hardship and injustice to the Indian peoples only because their lower

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economic standards have led to the question being raised first in their case. In reality, it already also applies in the case of India to the white working classes.

## APPENDIX I.

### *Agreement between Great Britain and Japan, signed at London, January 30, 1902.*

The Governments of Great Britain and Japan, actuated solely by a desire to maintain the *status quo* and general peace in the extreme East, being moreover specially interested in maintaining the independence and territorial integrity of the Empire of China and the Empire of Corea, and in securing equal opportunities in those countries for the commerce and industry of all nations, hereby agree as follows:

#### ARTICLE I.

The High Contracting Parties having mutually recognized the independence of China and of Corea, declare themselves to be entirely uninfluenced by any aggressive tendencies in either country. Having in view, however, their special interests, of which those of Great Britain relate principally to China, while Japan, in addition to the interests which she possesses in China, is interested in a peculiar degree politically, as well as commercially and industrially, in Corea, the High Contracting Parties recognize that it will be admissible for either of them to take such measures as may be indispensable in order to safeguard those interests if threatened either by the aggressive action of any other Power, or by disturbances arising in China or Corea, and necessitating the intervention of either of the High Contracting Parties for the protection of the lives and property of its subjects.

#### ARTICLE II.

If either Great Britain or Japan, in the defence of their respective interests as above described, should become involved in war with another Power, the other High Contracting Party will maintain a strict neutrality, and use its efforts to prevent other Powers from joining in hostilities against its ally.

#### ARTICLE III.

If in the above event any other Power or Powers should join in hostilities against that ally, the other High Contracting Party will come to its assistance and will conduct the war in common, and make peace in mutual agreement with it.

#### ARTICLE IV.

The High Contracting Parties agree that neither of them will, without consulting the other, enter into separate arrangements with another Power to the prejudice of the interests above described.

#### ARTICLE V.

Whenever, in the opinion of either Great Britain or Japan, the above-mentioned interests are in jeopardy, the two Governments will communicate with one another fully and frankly.

#### ARTICLE VI.

The present Agreement shall come into effect immediately after the date of its signature, and remain in force for five years from that date.

In case neither of the High Contracting Parties should have notified twelve months before the expiration of the said five years the intention of terminating it, it shall remain binding until the expiration of one year from the day on which either of the High Contracting Parties shall have denounced it.

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But if, when the date fixed for its expiration arrives, either ally is actually engaged in war, the alliance shall, *ipso facto*, continue until peace is concluded.

In faith whereof the Undersigned, duly authorized by their respective Governments, have signed this Agreement, and have affixed thereto their Seals.

Done in duplicate at London, the 30th January, 1902.

(L.S.) (Signed) LANSDOWNE,

*His Britannic Majesty's Principal Secretary of State for Foreign Affairs.*

(L.S.) (Signed) HAYASHI,

*Envoy Extraordinary and Minister Plenipotentiary of His Majesty the Emperor of Japan at the Court of St. James.*

### APPENDIX II.

#### *Agreement between the United Kingdom and Japan signed at London, August 12, 1905.*

##### PREAMBLE.

The Governments of Great Britain and Japan, being desirous of replacing the Agreement concluded between them on the 30th January, 1902, by fresh stipulations, have agreed upon the following articles, which have for their object—

(a.) The consolidation and maintenance of the general peace in the regions of Eastern Asia and of India;

(b.) The preservation of the common interests of all Powers in China by insuring the independence and integrity of the Chinese Empire and the principle of equal opportunities for the commerce and industry of all nations in China;

(c.) The maintenance of the territorial rights of the High Contracting Parties in the regions of Eastern Asia and of India, and the defence of their special interests in the said regions:

##### ARTICLE I.

It is agreed that whenever, in the opinion of either Great Britain or Japan, any of the rights and interests referred to in the preamble of this Agreement are in jeopardy, the two Governments will communicate with one another fully and frankly, and will consider in common the measures which should be taken to safeguard those menaced rights or interests.

##### ARTICLE II.

If by reason of unprovoked attack or aggressive action, wherever arising, on the part of any other Power or Powers either Contracting Party should be involved in war in defence of its territorial rights or special interests mentioned in the preamble of this Agreement, the other Contracting Party will at once come to the assistance of its ally, and will conduct the war in common, and make peace in mutual agreement with it.

##### ARTICLE III.

Japan possessing paramount political, military, and economic interests in Corea, Great Britain recognizes the right of Japan to take such measures of guidance, control, and protection in Corea as she may deem proper and neces-

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sary to safeguard and advance those interests, provided always that such measures are not contrary to the principle of equal opportunities for the commerce and industry of all nations.

## ARTICLE IV.

Great Britain having a special interest in all that concerns the security of the Indian frontier, Japan recognizes her right to take such measures in the proximity of that frontier as she may find necessary for safeguarding her Indian possessions.

## ARTICLE V.

The High Contracting Parties agree that neither of them will, without consulting the other, enter into separate arrangements with another Power or to the prejudice of the objects described in the preamble of this Agreement.

## ARTICLE VI.

As regards the present war between Japan and Russia, Great Britain will continue to maintain strict neutrality unless some other Power or Powers should join in hostilities against Japan, in which case Great Britain will come to the assistance of Japan, and will conduct the war in common, and make peace in mutual agreement with Japan.

## ARTICLE VII.

The conditions under which armed assistance shall be afforded by either Power to the other in the circumstances mentioned in the present Agreement, and the means by which such assistance is to be made available, will be arranged by the Naval and Military authorities of the Contracting Parties, who will from time to time consult one another fully and freely upon all questions of mutual interest.

## ARTICLE VIII.

The present Agreement shall, subject to the provisions of Article VI, come into effect immediately after the date of its signature, and remain in force for ten years from that date.

In case neither of the High Contracting Parties should have notified twelve months before the expiration of the said ten years the intention of terminating it, it shall remain binding until the expiration of one year from the day on which either of the High Contracting Parties shall have denounced it. But if, when the date fixed for its expiration arrives, either ally is actually engaged in war, the alliance shall, *ipso facto*, continue until peace is concluded.

In faith whereof the Undersigned, duly authorized by their respective Governments, have signed this Agreement and have affixed thereto their Seals.

Done in duplicate at London, the 12th day of August, 1905.

(L.S.) *LANSDOWNE,*  
*His Britannic Majesty's Principal Secretary of State for Foreign Affairs.*  
(L.S.) *TADASU HAYASHI,*  
*Envoy Extraordinary and Minister Plenipotentiary of His Majesty the Emperor of Japan at the Court of St. James.*

## BRITISH POLITICS

SINCE the publication of the first number of *THE ROUND TABLE*, there has been much political controversy in the British Isles, but it has been centred almost entirely about a single issue—constitutional reform. In November last the Conference between the Unionist and Liberal leaders, convened to attempt an amicable settlement of the dispute between Lords and Commons, was still in session, and though the delegates had attended some 20 meetings spread over four months, nobody had any certain information as to the probable result. On November 10 Mr. Asquith announced that the Conference had "come to an end without arriving at an agreement," and that it had decided to make no disclosures as to the course of its deliberations. Therefore, as he said in a subsequent statement, the two parties to the controversy which had stood adjourned from the death of King Edward, forthwith "reverted to a state of war."

Why did the Conference fail? From statements made at different times by its members, it is pretty clear that it was not on matters of detail that the Conference split. The plain fact was that its members never found common ground. Conferences between parties deeply divided on matters of principle, as distinct from matters of policy or tactics, seldom if ever succeed, unless they meet on the common ground that paramount national interests make agreement imperative. Thus in the case of South Africa it was the absolute necessity of union as the only solvent of the growing racial and inter-colonial quarrels which impelled the opposing parties to meet in the convention, and to abandon time-honoured party and racial traditions, which were found to be incompatible with union. And what was true of the African convention was true also of the assemblies which led to the confederations of Canada, Australia, and America, and of those international conferences which have remade the frontiers of Europe in the knowledge that failure to agree would mean war.

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In the case of the recent constitutional Conference, however, there was no such common ground. Neither side believed that the destinies of the nation were bound up in the success of the Conference. Neither side was willing to sacrifice its principles or its future as a party, for the sake of finding a solution. They went into the Conference because a lamentable accident—the death of King Edward—had forced their hands, not because they were convinced that the national safety would be imperilled by a continuance of the quarrel.

Thus from the start the Conference was doomed to failure. From the attitude of the two parties it is easy to see that only a paramount national crisis could have produced agreement. The Liberals believed that the welfare of the country demanded the rapid passage of a series of far-reaching measures of reform. They saw that the existence of the House of Lords as at present composed was a fatal obstacle to the millenium according to the Liberal gospel. To destroy the Unionist predominance in the Lords would require a measure of reform far more sweeping than they felt themselves competent to undertake. The shortest road to their desires was to deprive the second chamber of its real power, and confine it to the not unimportant function of delaying the passage of bills of which it disapproved, and so giving opportunities for the reconsideration of hasty or hotheaded legislation. This plan, lightly adopted, was based on the assumption that the realization of Liberal ideals was the paramount necessity of the times. If the powers of an ancient institution like the House of Lords or the privileges of its members stood in the way, they must be swept aside. Doubtless there were other and less worthy motives. The veto bill had the advantage that it would "dish" the Tories, who possessed a permanent majority in the upper house. It was "popular." It struck a shrewd blow at property and privilege, and so on. But the dynamic force behind it was the belief among the great majority of Liberals, that the interests of the country were indissolubly bound up with the immediate removal of the obstacle to the passage of Liberal legislation.

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The Unionists on the other hand, were profoundly convinced of the value of institutions and traditions which are the legacy of the ripe wisdom and bitter experience of earlier ages, and for which Radicals profess little respect; they were sceptical of the beneficial results of most of the legislative proposals of the other side, if they were not actually opposed to them; and they were certain that the evils which would follow the dislocation of the constitution would be incomparably greater than even the most beneficent laws could cure. The opposition of the Unionists, therefore, was based on the assumption that the national safety was bound up with the maintenance of the traditional bicameral system—substantially unchanged. Reform, which they agreed was needed, should take such shape that the safeguards against drastic changes should not be seriously diminished. If the conservation of the constitution meant the indefinite delay of all Liberal hopes and aspirations, that could not be helped. It was much more important that the fabric which had weathered the storms of ages, which seemed bound up with the safety of the State, should be preserved, than that a few measures of social reform of doubtful wisdom should be hurried through a little more rapidly than was possible to-day. In this case also no doubt unworthy motives played their part. The House of Lords was a Tory preserve. It could exercise what was practically a Tory veto. It was the stronghold of property and social standing, and so forth. But where the bulk of the Unionist party were concerned, it was anxiety lest a rash constitutional change should endanger the State, which was the dominating motive of their opposition to the Liberal scheme.

To a non-party man, there seems much reason on both sides. One is forced to sympathize with the Liberals when they declare that owing to the progress of modern science the rapidity of social and economic movement has enormously increased, and that changes in legislation must keep pace with the changes in the condition of the people. One has even more sympathy when they cry out that it is

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scandalous that when they possess the confidence of the country, half their most important measures should be thrown out by a house which is a permanent Tory chamber, and is influenced mainly, if unconsciously, by Tory motives. Few dispassionate men would deny that there is a case for at least such constitutional reform as would substitute for the veto of a party caucus, the review of a strong, responsible and non-party second chamber.

On the other hand one feels also that there is great force in the Unionist view, that reform in the composition of the second chamber should be attempted before its powers are cut down; that only the gravest reasons can warrant an attack on the fundamental institutions of the State; and that the removal of a handicap on the rapid passage of Liberal legislation is not the only or even the most urgent of national interests, and certainly does not justify the destruction of an otherwise valuable part of our well-tried constitutional machinery. The Liberal plan, too, does place too much power in the hands of a temporary majority, and if it is unlikely that any government will gravely abuse its powers, few people who realize the responsibilities and dangers of the Empire are anxious to remove all checks upon its doing so.

Thus to the ordinary man it appeared no impossible task to make such constitutional changes as would remove the Liberal grievance, and yet ensure that stability in the conduct of public affairs, which it is the chief purpose of a second chamber to secure. But with a party man it is otherwise. Once he has adopted a policy, he ceases to inquire into its wisdom. He is for the party programme, the whole programme, and nothing but the programme. Moreover, as Lord Rosebery says, to be a good party man you must not only think your opponents wrong but rogues and knaves to boot. To compromise on a party plank, to trust a party opponent or to refuse a party advantage is to a party man perilously near treason. It is only when some national crisis clearly demands that all should co-operate on some

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national end, that he will agree to suspend the party strife, or have dealings with the foe.

As we have seen, the party men did not believe that there was in 1910 a national crisis of sufficient gravity to warrant their settling the constitutional difficulty by other than the ordinary constitutional means. Neither Unionists nor Liberals were ready to see vital points in their own programme given away for the sake of agreement—the Liberals to perpetuate the obstacle of a second chamber of conservative if not Tory complexion, the Unionists to open a way for revolutionary change or to accept those sweeping changes in the composition of the House of Lords which alone could put an end to their party preponderance within it. The leaders realized that they could not command the assent of their followers to any scheme they could jointly contrive, and that an attempt to coerce them might break up both parties—a calamity which no existing national crisis seemed to warrant. For the party system, defective as it may be, is the best system of popular government which has yet been devised. On the one hand it recruits men of first-rate ability, tried courage, and long experience for the control of the public destinies. On the other, it admits of a government taking action decisively and rapidly so long as it has the country behind it, and of its being turned out of office once it has forfeited public support.

The Conference therefore broke down all along the line. Speaking with the wisdom that comes after the event, the Conference should not have met at all unless the leaders on both sides were convinced that a settlement was absolutely necessary, and that once they had entered the Conference they had somehow or other to agree. The advocates of the Conference, who were very largely animated by the belief that settlement by consent was needed for wider imperial reasons, persuaded the party leaders, unbalanced by the death of the King, to enter the Conference, but they did not convince them that a national crisis existed sufficiently grave to warrant them dealing a serious blow to the party system. This, perhaps, is not entirely surprising. For though, as the

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advocates of the Conference saw the confusion of British party politics with imperial problems is one of the roots of the present constitutional difficulties, the fact that it is so is not yet generally apprehended, and therefore did not influence the leaders at the Conference, or their followers outside it.

The General Election followed immediately. There is little doubt that the Government scored by dissolving Parliament within little more than a fortnight of the failure of the Conference. Though the Unionist leaders in the Conference had had the opportunity of thinking out the position, and acquiesced at first in the immediate dissolution, neither the rank and file of their party nor the mass of the people knew more than that their policy was reform as opposed to the abolition of the veto. In consequence, when the Unionist proposals were produced, they were adopted practically without discussion, under circumstances which created the impression that they were a hastily compiled alternative to the Government plan rather than the deliberate and considered policy of the Unionist party.

Seldom, if ever, has a general election been fought on a more defined issue. Usually the struggle is between two groups of rival claimants for the public confidence, and two programmes, each comprising a large assortment of measures, many of them of first-class importance. On this occasion the veto bill occupied the whole front of the Ministerialist programme, though some play was made with payment of members, invalidity and unemployment insurance, and Home Rule for Ireland. On the Unionist side there was similar concentration. The Lansdowne scheme of reform was put forward as the alternative of the veto bill, and Mr Balfour, by promising to submit the principles of Tariff Reform to a referendum, even if the Unionists were returned to power, practically confined the election to the constitutional struggle. Thus the choice before the country was the Liberals and their veto bill, with Home Rule in the background, or the Unionists and their proposals for reform, with Tariff Reform in the background. The principles of the veto bill were

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short and clear. Finance was to be a matter for the Commons alone. In the case of other legislation, the Lords were only to have a suspensive veto. Any bill passed by the House of Commons, in three successive sessions over a period of not less than two years, was to become law whether the Lords passed it or not. The duration of Parliament was to be reduced from seven to five years.

The Unionist reform proposals were not so clear. The powers of the Lords were to remain unchanged, save that they were to forego their right to amend or reject bills dealing solely with finance. If a dispute arose between the two Houses in other matters extending over two successive sessions, it was to be settled, in the case of ordinary legislation by means of a joint sitting composed of members of the two Houses, in the case of matters of "great gravity" by means of a referendum. The composition of the Lords was to be reformed by reducing their numbers, abolishing the hereditary right to sit in the House, and by constituting the new chamber partly of persons qualified by distinguished public service, partly of persons elected by the hereditary peers, and partly of persons chosen from outside. As the Liberals justly observed, this scheme contained several unknown quantities, and its value as a measure of reform would depend on the manner on which these unknown quantities were defined. The real case of the Unionists was that the veto bill was dangerous and mischievous, and that the proper line of constitutional advance was to reform the House of Lords along lines generally indicated but not precisely defined, and to create adequate machinery for solving deadlocks when the two houses disagreed.

The result of the election was a majority of 126 for the Government and its veto bill. It is proverbially foolish to explain elections, but if people outside the British Isles are to understand the situation to-day, and not to be led away by the melancholy forebodings of partisans or croakers, some attempt at it must be made.

It is necessary to distinguish between the functions of the

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party man and the average elector. The pledged party adherents are those who are interested in political questions, and who, by tradition, by temperament, or by conviction, have become convinced believers in the general principles of one of the great parties in the State. Beyond them is the great mass of electors who have no permanent party leanings, and who vote at each election for the party and programme they think best suited to the country's needs at the time. It is impossible even to suggest the relative numbers of the two groups. Probably the convinced party supporters are not as numerous as the noise and excitement they create would suggest. The functions of the two groups are quite different. The party men in the intervals between elections mould the alternative programmes which are set before the country. The average elector decides at election time which party and which programme is to prevail.

We have already examined the respective attitudes of the two chief parties as manifested by their leaders at the Conference. We have now to analyse the views of the ordinary elector on the choice between veto bill and reform laid before him by the party men. Judged by the outward expression of his opinions, the average British elector is the stupidest political animal the world has ever seen. He takes narrow views, is hide-bound by prejudice, is incapable of grasping a principle, applauds vociferously the most absurd and unreasonable of arguments. But judged by results he is the most successful. He has a strange instinct which makes him vote right. He refuses to follow alluring theories, he is suspicious of panaceas, he distrusts cleverness, sentiment, rhetoric and all the fascinations of the professional politician. He will "roll up" in thousands when some popular exponent of the demagogic arts, like Mr F. E. Smith or Mr Lloyd George appears upon a platform within his reach. He will appear to approve of even the wildest of their utterances. He will go about for days repeating inanely some phrase which has caught his fancy. But none the less he is the despair of the political weather prophet. For when the time comes to vote, he will cast aside all the

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panaceas, the platform phrases, the promises, that he has been listening to with such wrapt attention, he will forget all about his pledges to party canvassers, and he will sit down and make up his mind which, on the whole, is the better side. And in general he will vote rather on men than on the measures they advocate. He recognizes that he does not understand much about legislative or fiscal proposals and he trusts his judgement of the party leaders a long way before he trusts his judgement of their programmes. And the qualities he looks for in his leaders are honesty, conviction, and high purpose. He does not want sparkling ability. He does not want men of his own class or mere mouthpieces of his own particular needs. He wants to put in power the men he trusts to run the country best, men who he is sure are straightforward, sincere, balanced, strong, solicitous not for themselves, or their party, or for fads and nostrums, but for what they think the country's good.

What did the ordinary elector—the man who settled the election—think about the last election? He was first of all thoroughly disappointed at the failure of the Conference. While the struggle between the two Houses of Parliament had greatly heated party men, it had never aroused genuine enthusiasm in the mass of the people. The controversy was too remote from the problems of daily life, and most ordinary men felt that once a conference had been called, it certainly ought to have found a compromise. It was this feeling which accounted for the rounds of applause which invariably greeted platform denunciation of the party system, and for the marked diminution in the poll as compared with the election of a year before. Still the elector had to exercise a choice. What made him vote for the Liberals? In the main two considerations.

To use a phrase common in his own mouth, he wanted to give the House of Lords a knock. He had no strong convictions as to whether restriction of veto or reform was in itself the better road of constitutional advance. But he felt that the Lords had been playing old Harry with the legislation passed by a majority he had put into power and that the time had come to assert his own supremacy. He wanted to put the Lords in their

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place. That he could only do by voting for the Liberals who were for fighting the Lords, and against the Unionists who were backing the Lords' scheme of reform.

The only argument which could have induced the average elector to forego the chance of asserting his supremacy, would have been the fear lest in voting Liberal he would place in office an irresponsible Cabinet of wreckers empowered to remove the chief check on revolutionary change—the veto of the second chamber. But so far from thinking this, his opinions ran the other way. He believed that the Liberal leaders were stronger and abler men than the Unionist leaders. He was convinced of the patriotism, public spirit and sober judgement of men like Mr Asquith, Lord Loreburn, Sir Edward Grey, Lord Morley, Lord Crewe, and Mr Haldane, even if he had doubts about the caution and moderation of Mr Lloyd George and Mr Churchill. So long as these men were in office he was prepared to run the risk of the Government taking advantage of its powers to bring ruin and revolution on the land. On the other hand, he had no great confidence in the Unionists. In talent and strength their front bench was manifestly weaker than that of their opponents. Rightly or wrongly he believed the party to be less sincere and less broad-minded than the Liberals, and to be more concerned with the protection of property and privilege than with the general amelioration of social conditions. Their policy of reform, too, perhaps owing to the hasty dissolution, seemed to have been adopted as an electoral measure rather than because of any earnest belief in its wisdom. Moreover, the Unionist denunciation of the Government as wreckers did not carry conviction, when in order to concentrate the issue on the veto bill, Tariff Reform was set aside by an eleventh hour pledge to introduce the referendum—a constitutional change, which, however sound in itself, was infinitely more revolutionary and far-reaching than anything that the Government proposed.

On the ground, therefore, both of measures and men, the average elector voted for the Government and its plan. Many individual voters, of course, were influenced by selfish

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and shortsighted motives, and the Irish Nationalists as usual thought of nothing but Home Rule. But the great mass of the floating electorate—who despite all the accusations of the disappointed side, usually vote from public-spirited and not selfish motives, decided that something drastic ought to be done to the Lords, and that the Liberals were the people to do it. They did not look much further. They were willing to trust the Government with the somewhat unmeasured powers conferred by the veto bill, and they were therefore willing to trust it also not to abuse their confidence when it came to deal with Home Rule.

In the light of Mr. Asquith's declaration of April 14, 1910, that the Government would only dissolve if it was certain that a verdict in their favour could be carried into effect, there is little reason to doubt that the veto bill, substantially in its present form, will become law. In the opinion of the writer the policy of the veto bill has been a mistake from start to finish. It is dangerous and shortsighted, and the grievance it is designed to remove could have been remedied in other and more constitutional ways. But the responsibility for it really lies less with the Liberals than with their opponents. If the Liberals lightly committed themselves to a line of advance from which they cannot now retreat, it was because the Peers had allowed themselves to become a Unionist caucus out of touch and out of sympathy with the life of the nation. And if the veto bill becomes law it will be because the Unionists, disorganized and without any clear grasp of principle, have failed to convince the country that reform is the real alternative to the veto bill as a cure for the evils which exist, or that if returned to power they would thoroughly purge the House of Lords of its party bias.

What will happen after the veto bill has become law it is impossible to say. But it is well for those who fear and dislike it to remember that it will not be a final settlement. The Government as well as the Opposition is pledged to reform the House of Lords, and there is every indication that this

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will be undertaken, not by means of a party majority, but in friendly co-operation both with the Lords and the Unionists. No constitutional reform can be stable which does not command at least the acquiescence of all parties, and it is quite clear that the Unionists, if ever they have the power, will not leave the veto bill as it stands. Therefore, before finality can be reached some further change, certainly in the composition of the upper house, probably in its powers, must be made, and that change must meet with the assent of both parties. The Government have won their point, the present Tory veto on Liberal legislation is to disappear for ever, and if some thoroughly impartial and non-party chamber, acceptable to both sides, can be constructed, there is no reason why some at any rate of the powers taken away from it by the veto bill should not be restored.

There is one aspect of the present discontents which calls for graver consideration than it has yet received. In reality most of the evils which have produced the veto bill, the scheme for the reform of the Second Chamber, the revival of Home Rule, and the outcry against the party system—are symptoms of a profounder disease, the growing congestion and incapacity of the Imperial Parliament, which none of these proposals will cure.

The congestion of business in Parliament is a commonplace of everyday politics. All government departments have pigeonholes filled with draft bills of great practical importance which have been set aside from year to year to make room for the great party measures. No private member now has a chance of placing any important act on the Statute-book, unless he can persuade the Government to take over the bill. Home Rule is advocated as much because it will relieve Parliament, as because it is a proper concession to the national sentiments of the Irish people. The Federalists go so far as to say that only by a wholesale measure of devolution affecting England, Scotland and Wales as well as Ireland, can the efficiency of the national Parliament be restored. If the purely domestic interests of the United Kingdom have

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already suffered to this extent from the inability of Cabinet and Parliament to attend to them, what must not be the case with the Empire, to whose world-wide problems—including foreign policy and defence—the Imperial Parliament now devotes less than one-tenth of its time?

Yet even if Parliament were relieved by some sweeping scheme of devolution of all its minor duties its real incapacity as an Imperial Parliament would still remain, for it would still be elected by the people of the British Isles voting on party issues which have little or no relation to imperial affairs. So far as the elections are concerned, it is a matter of chance whether a cabinet contains men of sufficient knowledge and ability to manage the imperial side of the national business. For instance, if as a result of a series of social and labour troubles a government came into power, composed of the leading labour men—a contingency which from the point of view of the British Isles alone might not be at all dangerous—it would contain no member the least qualified to look after the foreign affairs and defence of the Empire, or the government of India and the dependencies. It is the possible effect on the Empire of the present constitutional changes, frankly designed to meet local needs, which is making thoughtful people uneasy. So far as the purely internal affairs of the British Isles are concerned, no very fearful results are likely to follow the veto bill. But there is no guarantee that British party politics will always produce a government which can take a statesmanlike and farsighted view of imperial affairs, and if an "advanced" and reckless government were returned after the constitutional safeguards on its action had been removed, things might look black.

This uneasiness has begun to manifest itself in the Dominions. A South African paper, writing of the constitutional controversy, said:

"It is quite evident that the overseas Dominions are now of such importance that no drastic change in the supreme government of the Empire by the Imperial Parliament can now take place without their being consulted and their interests studied."

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Yet that is precisely what is happening—a fact which a New Zealand paper said “is loaded with tremendous possibilities for ourselves and all the households of the Imperial Clan.” Similar sentiments have appeared recently in most of the papers in all the Dominions, and indeed are the obvious reflections on current events. The plain truth, as *The Nation*—the leading British Liberal weekly, says—is that “the central authority has broken down.” There is no Imperial Government. There is only an insular government elected on the party issues of the British Isles, which is charged as well with the duty of managing an Empire which comprises one quarter of the human race and one fifth of the globe.

People are coming more and more to see that this confusion of imperial and domestic affairs is the root problem of which the most of these local disturbances are the symptoms. The evils it produces are not confined to the congestion of business, or to disregard or ignorance of imperial interests. It tends to embitter political life. One man approves of a bill on imperial grounds, another votes against it for local reasons. The one is thereupon dubbed a jingo, the other a traitor. The Unionists would not be so bitter against the veto bill if they did not think its results might imperil the Empire. There would not be the violence about Tariff Reform if it were not that its imperial and domestic aspects are at present inextricably confused.

Our difficulties will not have disappeared when the dispute between Lords and Commons is over. The veto bill does not touch the fringe of the real question, which is the readjustment of the machinery by which the Empire is governed. The problem is one which will not be solved to-day or tomorrow. It will probably not even be discussed by the Imperial Conference, for its issues are not ripe for decision. Yet it is the great question which is looming up for settlement in the future. One thing alone is clear. If the Empire is to survive, its interests cannot figure much longer as counters in the party prize fight of the British Isles.

# CANADIAN AFFAIRS

## I. A STORY OF EXPANSION

CANADA has had a year of remarkable prosperity. The total foreign trade for 1909-10 was \$693,161,000. This is more than three times the volume of twenty years ago. The total value of field crops for the year is estimated at \$507,185,000 as compared with \$539,992,000 for 1909. There was a partial failure of the Western crop in Southern Manitoba, Southern Alberta and South-western Saskatchewan, and Sir Edmund Walker, a high authority, estimates the total value of field crops in the Prairie provinces at \$155,926,000 as against \$192,839,000 for 1909. This is a decrease of \$37,000,000 due chiefly to lower prices. The clearing house returns totalled \$6,154,000,000 as compared with \$5,204,000,000 in the previous year, or an increase of 18 per cent. There was great industrial activity in the older provinces, and a marked increase of building operations in many towns and cities. For example, the building permits in Montreal show an increase from \$10,713,000 in 1909 to \$15,815,000 in 1910; in Toronto from \$18,139,000 to \$21,127,000; in Winnipeg from \$9,226,000 to \$15,106,000 and in Vancouver from \$7,203,000 to \$13,150,000.

The output of silver at Cobalt is estimated at \$14,500,000 as compared with \$12,461,000 for 1909, and altogether the camp has yielded a total product of \$48,000,000, of which \$24,500,000 have been paid in dividends. The gold yield of the Yukon, where strong mining companies with advanced machinery have replaced the small operators with inadequate appliances, was between \$4,000,000 and \$4,500,000. During the year the Canadian Northern Railway Company laid 454 miles of track in the Prairie provinces and 73 in Ontario, and inaugurated a fleet of steamships on the Atlantic. Its total expenditure for the year ran to \$17,000,000. The Canadian Pacific Company laid 326 miles of single track and 57 miles of double track, and at the end of the year 323 miles of single track and 77 miles of double

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track were under construction. It is also announced that during 1911 the road will spend \$7,000,000 in rolling stock and equipment and appropriate \$8,000,000 to extend its irrigation system in Alberta. On the National Transcontinental Railway between Moncton and Winnipeg 995 miles of track and 187 miles of sidings have been laid at a total cost of \$85,997,193. The estimate for 1911 is \$27,000,000. On the Grand Trunk Pacific road in British Columbia and the Prairie provinces 288 miles of track were laid or graded during 1910, and already a thousand miles of this road are in actual operation.

During the first six months of the fiscal year 204,365 immigrants entered the Dominion as compared with 120,912 for the same period of 1909-10. Of these 75,445 came from the United States as against 56,465, an increase of 34 per cent, while 128,919 as against 64,447 entered by ocean ports, an increase of 100 per cent. For the year the authorities estimate that the immigration will reach 400,000. For the nine months of the fiscal year ending with December 31, the Federal revenue was \$85,665,833, as against \$73,390,080 for the corresponding period of 1909-10, an increase of \$12,275,753. For federal, provincial, municipal and other purposes Canada is borrowing at the rate of \$200,000,000 per annum. It is estimated that the Dominion has absorbed \$1,000,000,000 of British capital. During a decade outside investments in Canada have totalled \$962,000,000, of which Great Britain has contributed \$605,000,000. In five years we have borrowed \$250,000,000 for railway construction alone. During the last ten years we have received 1,500,000 immigrants and these have brought money and settlers' effects probably to the value of \$500,000,000. A calculation by *The Toronto Globe* places the government, corporation and municipal borrowings for 1910 at \$215,338,500 as compared with \$240,000,000 for the previous year. In the distribution of bonds the United States took 14 per cent, Canada 17½ per cent, and Great Britain 81 per cent. No doubt we are borrowing heavily, but it is just as true that

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the country is enjoying a season of astonishing expansion, and that there is abounding vigour and energy behind all its activities. The outstanding fact in the story, however, is the extent to which we depend upon the constant inflow of British capital.

### II. WESTERN FARMERS AND THE TARIFF

**I**N December the farmers' deputation which had been in process of organization for some months waited upon the Government at Ottawa. There were between four and five hundred delegates from the west, and these were joined by two hundred delegates from the farmers' organizations of Ontario and the eastern provinces. Substantially, however, the deputation represented Ontario and the west. There were only a few delegates from the eastern provinces, while the organization does not seem to have secured any considerable foothold in Quebec. In the main the leaders of the movement in the west are men of substance and of influence in their own communities. Amongst the western delegates were to be found English and Scottish free traders with the old economic faith unaffected by new surroundings, and a few from the American west who were leaders amongst the Populists a quarter of a century ago and find in the new provinces of Canada a soil not less congenial to the propagation of their opinions. Behind the movement in Ontario are men of signal influence amongst the farmers, less radical, perhaps, than some of their western colleagues, but resolute advocates of low tariff and reciprocal trade relations with the United States. No more influential deputation has ever waited upon the Federal Government nor any representing a higher average of Canadian citizenship. It is said that the Western Grain Growers' Association has 28,000 members and probably three or four thousand farmers belong to the granges and other farmers' associations in the older provinces. It is by no means certain that all these have an equal zeal for low tariff and continental reciprocity, but undoubtedly the

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movement commands the sympathy of thousands of farmers who have no actual identification with the Western Grain Growers' Association or the farmers' organizations of the east.

The spokesmen for the deputation asked for reciprocity with the United States in horticultural, agricultural and animal products, spraying materials, fertilizers, fuel, illuminating and lubricating oils, fish, lumber, agricultural implements, farm machinery and vehicles, for an immediate reduction of the duties on British goods to one half the rates imposed on foreign products and manufactures, and for such a further gradual reduction of duties on British goods as within ten years would give complete free trade between Canada and Great Britain. It was also suggested that all reductions of taxes on imports from the United States should be extended to imports from Great Britain and that as free trade between the Dominion and the mother country would best contribute to the development of Canada no preference for Canadian products in British markets was desired. Fairly examined this will be found to be a logical policy with free trade as its ultimate object. Two elements chiefly constituted the farmers' deputation. One sets the higher value upon better trade relations with the United States. The other aims at a steady reduction of duties and ultimate free trade within the Empire. The one element suspects the policy of reciprocal preferences as inimical to continental reciprocity; the other as savouring of protectionism, as operating against immediate reduction of duties, and as giving aid and comfort to the fiscal reform movement in Great Britain. In short, the whole attitude of the deputation becomes clear if it is remembered that they are free traders, that as such they can have no sympathy with any proposal that has a protectionist character and must regard a high tariff between Canada and foreign countries as only less objectionable than a high tariff between Canada and Great Britain. But recognizing the strength of British sentiment in the Dominion, and sharing in the feeling, they aim at a free trade Empire and simultaneously at better fiscal

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relations with other countries by a series of reciprocity treaties. Incidentally they probably also have in mind the Canadian Manufacturers' Association, which, notwithstanding its advocacy of protection for Canada, has always shown active sympathy with British fiscal reformers and has given a firm and consistent support to the policy of inter-Imperial preferences.

The reply of Sir Wilfrid Laurier to the deputation was substantially a repetition of what he said to the grain growers during his tour of the western provinces. He frankly recognized the more radical temper of the west, and its increasing influence in the government of the country. He avoided reference to the proposal to increase the British preference as also that to advance towards free trade within the Empire. He pointed out that the industrial interests of the east had to be considered, and that there must be accommodation and compromise. He agreed that a free interchange of natural products between Canada and the United States would be of vast benefit to both countries, but he gave no hint of any intention to reduce duties on American manufactures. Finally he reminded the deputation that negotiations are now proceeding with Washington with the object of improving trade relations and insisted that it would be unwise to make tariff changes until the negotiations were concluded. "Whatever may be the outcome of the negotiations with our neighbours," he said, "I can assure you that it in no way will impair the British preference."

The western farmers also demand that the Hudson Bay railway shall be constructed and operated by the Government, and that it shall purchase and operate the terminal grain elevators at Port Arthur and Fort William. They argue that any private company controlling the outlet to Hudson Bay would have the other roads at its mercy, and that, therefore, the Government should be the common carrier for the three great transcontinental systems. They argue again that with the terminal elevators in private hands it is impossible to secure honest grading of grain, and that

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by judicious mixing, by fattening grades and by other processes the farmer is deprived of some portion of his legitimate profit. It is clear, however, that the Government will not go the full length of these demands. It will construct the Hudson Bay road and devise some method of private operation. It will not buy out the terminal elevators, but will place both these and the receiving elevators under an independent public commission, and take power to purchase if the system of regulation should prove unsatisfactory. It is further understood that the Government, probably by co-operation with private capitalists, will establish elevators at Hudson Bay and at Liverpool, and thus exercise control from the point of shipment to the ultimate market. It also seems clear from recent statements by the Prime Minister that the Government will deepen the Welland Canal, construct the Georgian Bay water route and improve the St. Lawrence channel, and thus reduce transportation charges to the prairie settlers. This is an ambitious programme, involving, perhaps, the expenditure of one or two hundred millions of dollars, but likely to strike the popular imagination and to bury minor grievances in the great onrush of national development.

### III. THE NAVY IN POLITICS

THE naval policy of the Laurier Administration has wrought much confusion in Canadian politics. Opposition far stronger than anyone foresaw has developed. This is confined chiefly to Quebec, where the Government has sustained a sensational defeat in a bye-election. A contest became necessary in Drummond and Arthabaska through the appointment of the sitting member to a seat in the Senate. This is one of the most populous and intelligent rural constituencies in the French province. Inhabited mainly by prosperous farmers, it has been regarded for many years as a Liberal stronghold. This constituency gave Sir Wilfrid Laurier his seat in the Legislature nearly forty years ago, and a few years later his first seat in the House of Commons. Here he sustained the only

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personal defeat that he has ever experienced. Appointed to a seat in the Mackenzie Cabinet in 1877, and obliged to go back to the constituency for re-election, he failed by 29 votes to secure his return. Sir John Macdonald had just committed the Conservative party to protection, the country was in the depths of commercial depression, and constituency after constituency under the influence of the new propaganda fell away from the dying Government to which the young minister had joined his fortunes. At Arthabaskaville, the centre of the judicial district, Sir Wilfrid Laurier practised his profession from 1866 until he was called by Lord Aberdeen to form the administration which still controls the destinies of the country. Here he still has his summer home, and here by French and English alike he is regarded with affection and respect. The constituency has a population of 44,484, of whom 41,045 are French and 42,062 Roman Catholics.

In this constituency, however, which in 1896 gave a Liberal majority of 1,206, in 1897, in a bye-election, of 1,648, and in 1904, in the general election, of 2,476, with the naval policy as the chief issue the Liberal candidate was beaten by a majority of 207. The opposing candidate was a Nationalist, and the campaign against the Government was conducted chiefly by Mr Bourassa, Mr Monk and Mr Armand Lavergne, the three most conspicuous figures in the Nationalist movement. It is difficult to give sober consideration to the arguments that were employed to excite and inflame the population. It was represented that the younger French Canadians of the community would be drafted to serve on British ships in remote seas, that the Canadian navy would be under the absolute control of the British authorities, that taxes would be laid upon the people of Quebec for the wars of the Empire abroad, that the naval programme involved the sacrifice of Canadian autonomy on the altar of British Imperialism, and finally and chiefly that there must be delay until the whole project could be submitted to a plebiscite. The position of the Government was stoutly defended, particularly by Mr Brodeur, and until the result was declared neither Liberals nor Nationalists

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believed that the Government candidate could be defeated. The actual defeat was a shock to the Government and to the country. For the moment there was immense elation amongst Nationalists, and the victory was celebrated by a great demonstration at Montreal, at which Mr Bourassa was the central figure, and which was characterized by such enthusiasm as has been rarely witnessed even in a tumultuous assemblage of French Canadians.

But there has been a sequel to Drummond and Arthabaska. A month later a bye-election became necessary in order to fill the seat for St John's in the Quebec Legislature. A Conservative-Nationalist was nominated to oppose the Government candidate and again it was attempted to make the naval policy the sole issue between the parties. The result, however, was to increase the Liberal majority from 300 to 600 and unlike Drummond and Arthabaska the English Conservative vote was cast almost solidly for the Liberal candidate. It has to be remembered, however, that the Provincial Government has no responsibility for the naval programme. Moreover, Mr Bourassa was in Europe during this contest and his leadership is the great asset of the Nationalist movement. It is also alleged that a powerful section of the Roman Catholic Church, for causes which have not been disclosed, has entered into an alliance with the Nationalists against Sir Wilfrid Laurier. But it is not certain that this hostility is directed with equal energy against the Provincial Liberal Administration. For that matter, any statement touching the attitude of the Roman Catholic clergy must be made with reserve. It is established, however, that Archbishop Langevin of Manitoba is using his influence to promote the circulation of the Nationalist organs and that French Liberal newspapers of Montreal complain that certain priests have advised their flocks not to read the Liberal publications. It is assumed that the quarrel with the Prime Minister has its roots in the old controversy over the status of Catholic schools in Manitoba and the failure of the Federal Government to introduce remedial legislation in behalf of the Catholics of Winnipeg, who have

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not accepted the compromise of 1896 and are thus obliged to support the provincial educational system while maintaining parochial schools for the education of their children. In all this there is something of speculation, and if the explanation seems to be inadequate, all that can be said is that no other is available. It can hardly be doubted that there is a renewal of clerical hostility to the Prime Minister and that this was more apparent in Drummond and Arthabaska than in St John's. The significant fact in the provincial contest, however, is that the English-speaking Conservatives of the division seem to have polled almost solidly for the Liberal candidate, and this can be explained only by hostility to the Nationalist movement.

The debate on the Address at the opening of Parliament was marked by much temper and much mutual recrimination. There was a determined attempt to show that the Nationalist speakers in Drummond and Arthabaska strove to excite feeling against Great Britain, and that there was a practical alliance between the Nationalist and the Conservative party. The Conservatives repudiated the alliance; the Nationalists professed all proper devotion to the mother country. Furthermore, the Nationalists contended that they were faithful to the historical teaching of the Liberal party, and much ancient campaign rubbish was rescued from the dust heap to confuse one side or the other. The Conservatives were placed in a difficult position by an amendment to the Address which Mr Monk introduced in favour of a national plebiscite on the naval programme. A year ago the Opposition, as an alternative policy to that of the Government, had declared for the immediate contribution to the Admiralty of two Dreadnoughts or the equivalent in money, and the submission of the Government's proposals to a vote of the people. It was, therefore, difficult for the Opposition to vote against the Monk amendment while there was the clear risk of misunderstanding if they gave the resolution their support. The best that could be done was to submit an amendment reaffirming the policy laid down last session,

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and, when this was defeated, to support Mr Monk's resolution. Naturally, the fact that Conservatives and Nationalists voted together is made a ground of attack upon the Opposition by the Liberal press and from Liberal platforms throughout the English provinces.

In the course of the debate, however, Mr Borden, the Conservative leader, in a speech of unusual power and vigour, outlined the general policy of the Opposition. He argued that the Government's policy did not provide for certain unity of organization and action with the Imperial fleets, and that without this the whole project and the heavy expenditure involved would be comparatively useless. If the Conservative party came into power they would at once open negotiations with the Imperial Government in order to ascertain if the Empire faced any grave danger from foreign nations. If it was determined that action was necessary to meet an emergency they would call upon Parliament for a contribution direct to the Admiralty, and if this was refused they would appeal from Parliament to the constituencies. Having provided for the emergency they would approach the Imperial authorities in order to arrange a permanent basis of naval co-operation between the Dominion and the mother country. As the Dominions were at last to join Great Britain in defence of the Empire they should have a voice in determining Imperial policy. They would, therefore, go to an Imperial Conference and endeavour to develop a system under which participation in the wars of the Empire would give the Dominions a voice in deciding whether or not hostilities should begin. Having secured this extension of Canadian autonomy they would be ready to develop a Canadian navy in real co-operation with the Imperial navy, and would go to the country for popular approval of the whole project. Against this is the policy of the Government, which recognizes equally the duty of Canada to provide for sea defence, but which refuses any direct contribution, and under which the Canadian Parliament will decide in what wars the country will engage.

## THE ROUND TABLE

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Probably in the natural evolution of the Imperial relation, whether by actual agreement or otherwise, the Canadian navy will be at the command of the Admiralty in any and every conflict and inevitably, as in the organization of the land forces of the Empire, there will be ultimately common action as well as a common understanding. Either that or there will be a drift in the Dominions towards independence and separation. It is not the purpose, however, to pass judgement between the two parties, to commend or to criticize either set of proposals, to discover differences in spirit or motive. Enough to say that the attitude of neither party need give rise to doubt or uneasiness throughout the rest of the Empire. Canada is committed to co-operation in sea defence and will not turn backward. There is more behind the Nationalist movement than opposition to the naval programme. There are the ambitions of Mr Bourassa and Mr Monk, apparently a clerical movement against the Prime Minister, and the soreness of Quebec Conservatives over many defeats. In the judgement of many politicians the naval policy is also distasteful to the farmers of the English provinces, and in confirmation of this view a condemnatory resolution was adopted at a farmers' convention in Toronto. But when the argument for the navy is fully presented, and in face of the Nationalist movement vigorous defence of the policy becomes necessary, there probably will be a decisive response at least from all the English speaking communities. It is a mistake to think that the Imperial feeling of Canada is confined to Toronto and Halifax and St. John and Winnipeg and Vancouver and Victoria. There is a dumb loyalty in the villages, on the farms, in the back settlements, which has found its voice in the crises of our history and will speak again if the demand for speech or action becomes imperative.

### THE TRADE AGREEMENT

**M**R Fielding has just announced the terms of the trade agreement with the United States. The arrangement is far more revolutionary than was generally expected. It is mani-

## CANADIAN AFFAIRS

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fest that owing to the exigencies of American politics, and the formidable agitation against the high cost of living the Republican administration was determined to effect a reciprocal treaty with Canada. Hence terms were offered which the Canadian Government could hardly afford to reject. While the duties on manufactures are not seriously disturbed the agreement goes far towards free trade in natural products. The free list covers wheat, oats, rye, barley, eggs, live stock, poultry, dairy products, hay, vegetables, fresh fruits, fish, and lumber. There is also a provision for removal of the American duties on manufactured paper when the restrictions and prohibitions laid by the Canadian provinces on the export of pulp wood to the United States are abolished. This clause of the agreement is not likely to become effective, as the provinces are determined to conserve their natural resources, and to compel manufacture in Canada. It is provided that the agreement must be accepted both by Congress and the Canadian parliament as a whole, but in so far as pulp wood is concerned probably it will be recognized that the Federal ministers have no power to reverse the policy of the provinces.

Whatever may be its fate in Congress there is hardly any doubt that the agreement will be accepted in its entirety by the Canadian parliament. Canadian farmers desire a free American market for many of their products, and the agreement as drafted makes a powerful appeal to the agricultural classes in every section of the country. The west desires to send wheat, rye, and oats across the border. The farmers of Ontario are deeply interested in a free American market for live stock, dairy products and vegetables. The products of Quebec are very similar to those of Ontario, while free fish would be a boon to the Maritime provinces. Thus, as the home market is not to be impaired by lower duties on manufactures, the whole strength of the agricultural interest will probably be behind the agreement. Practically, henceforth, the American market will deter-

## THE ROUND TABLE

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mine the level of prices for many natural products in Canada and the general expectation is that this will ensure somewhat better returns for Canadian producers. Naturally this would mean higher cost of living in the Canadian industrial centres, but with that the farmers are not concerned.

It is believed the flour milling industry will be adversely affected by the agreement, while there is fear that free trade in lumber will tend to the rapid depletion of Canadian forests. No doubt there will also be a diversion of trade to the south which must affect in some degree the earnings of Canadian railways. There is a slight reduction in the coal duty, and also in the duties on farm machinery, but the reduction on coal does not go far enough to affect the Nova Scotia coal producers, nor will the manufacturers of agricultural implements be seriously prejudiced by the agreement. It is provided that the arrangement shall not go into effect in Canada until it is adopted by Congress, and that the understanding shall not take the form of a treaty, but be adopted and maintained by concurrent legislation.

The agreement ignores one objection which has been urged with force and persistence in Canada. It has been contended, whether soundly or not, that with free trade in natural products between Canada and the United States, reciprocal treatment of Canadian products in British markets would become impossible, inasmuch as American products would seek an outlet at Canadian ports in order to secure the benefit of British preferential duties. Certainly Canada has faced no such radical change in fiscal policy since the system of protection was established over thirty years ago, and clearly it is impossible to foresee the ultimate results of a free American market for Canadian producers. At this time of writing the Opposition in Parliament has not declared its attitude towards the agreement, nor has public opinion in the country had opportunity to express itself.

Canada, January 30, 1911.

## CANADIAN AFFAIRS

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NOTE. Since our Canadian correspondent wrote, the agreement has been passed by the House of Representatives at Washington by a majority of 221 to 92. It has still to be considered by the Senate, but it is uncertain whether it will be passed before the end of the Session—March 4. If not, President Taft will probably summon a special session for the purpose of dealing with the agreement. As the Senate, in accordance with the recent elections, will then contain a larger number of Democrats who have declared for the agreement, it will probably pass without difficulty. In Canada the agreement has met with far greater hostility than was expected. This hostility is directed not against the alterations in the tariff, but against the general policy of the agreement. For it is now seen that the agreement is an abrupt change from the "national" policy, steadfastly pursued by Canada for more than 30 years. Public opinion has been for so long determined on the East and West policy, and on building up a strong national individuality in Canada, that a proposal for encouraging the movement of trade North and South, and closer commercial relations with their immense and magnetic neighbour has come as a severe shock. The agreement, in fact, has become a national rather than a trade issue. The opposition are now united against it, and it is reported that many prominent Liberals are strongly opposed to it. None the less the general opinion is that party discipline will enable the Government to carry the bill through Parliament, though a general election may follow.

## THE AUSTRALIAN SITUATION

TO understand the present situation in Australia, one must delve somewhat into the genesis of things. Communities, like individuals, are influenced by their environment, and before Australian ideals can be fully appreciated it is essential that other British communities should understand something of local conditions.

With a total area approximating 3,000,000 square miles, Australia presents every variety of physical condition. Though the greater part of its area is within the warmer zones, the climate everywhere is healthy; but the rainfall, upon which successful settlement depends, diminishes generally with the distance from the sea. The centre of the continent is held to be of little value, but the fertile region extends so far back from the coast that it aggregates an enormous area. For hundreds of miles inland, particularly upon the eastern littoral, immense tracts are being brought under the plough, and with the development of agricultural science "no man's land" is being pushed steadily further back. Lands at one time thought fit only for carrying sheep are now yielding splendid crops of wheat, and so successful has farming become in comparatively dry areas that it is hard indeed to forecast accurately where the limit will be found. In addition to the development known as "dry farming," immense irrigation works are being constructed and others are contemplated, so that altogether there is plenty of room for the augmentation of our present population of 4,500,000.

The first British settlers—convicts and their guards—found on their arrival in 1788 an island continent, sparsely populated by a race ignorant of even the crudest form of agriculture. For years the tiny colony had a hard struggle to maintain itself on the comparatively poor lands around Sydney; but, as exploration disclosed the fertile plains beyond the coastal range and the rich flats of the rivers north and south of the first settlement, a new era was begun. It was

## THE AUSTRALIAN SITUATION

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soon found that almost illimitable areas were suited for stock-raising, with an infinitesimal preliminary expenditure. In the "days when the world was wide," these lands were taken possession of by "squatters"—men who took their flocks far afield without waiting for either fence or land titles. Later, the Government gave these pioneers formal possession as leaseholders under the Crown, but the term "squatter" still clung to them, and even to-day is used to denote the pastoralist in a large way. Stock-raising proved so profitable that within a comparatively short time, in each of the colonies successively founded, the whole of the suitable lands were occupied for pastoral purposes, mostly under leasehold tenure. It must be understood that the Australian climate is so genial that stock thrive all through the year right round the continent, and thus the pastoralist was encouraged to occupy all land except the heavily timbered areas on the coast.

For many years the unoccupied land was sufficiently plentiful to afford scope for all who desired to share in the harvest of the "golden fleece," but gradually, as the population grew, would-be settlers had to go further and further towards the parched interior until the rainfall limit was reached. Just when further expansion on the old lines appeared impossible, at any rate in the older colonies, a diversion occurred through the discovery of alluvial gold, which attracted an immense number of enterprising immigrants from all over the world—men fitted to leave their impress on the history of any country. For some time the "gold fever" was in the blood of all, but as the richer alluvial fields were worked out the "diggers" helped to swell the ranks of those who were vainly looking for land. A demand for "closer settlement" was raised, and a fierce political struggle ensued over the question of whether the vast pastoral areas under leasehold should be made available to the "small men." In such a contest it was inevitable that the landless majority should win, but in every colony a keen fight took place between "selector" and "squat-

## THE ROUND TABLE

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ter" before the latter was routed. The refusal of the squatters' representatives to allow any land at all to be made available naturally led to a correspondingly extravagant demand by the other side, and thus, when victory at last rested with the selectors, their representatives threw open all leasehold land for settlement, on the principle of "free selection before survey." As a result, there sprang into existence, alongside the bona fide settler, a class of speculative selectors, whose idea was to pick the eyes out of a pastoral property (a procedure known as "peacocking") with the object of blackmailing the leaseholder into buying the area back. Assailed on all sides, and denied the right of ordinary purchase, the squatters retaliated by themselves taking up selections in wholesale fashion through "dummies," and thus secured large areas on a freehold basis. In other cases selectors were bought out, and to-day we find in New South Wales that, although some 351,000 selections have been taken up since 1861, yet only 42,000 are still held by small settlers. The balance has by one means or another again been absorbed into the large holdings. This brief outline of the history of attempts at land settlement more particularly refers to New South Wales, but the same general principles are common to all the older colonies. It is necessary to give an idea of these facts, as they had an immense influence upon the political and social development of Australia. The war of squatter against selector embittered not only those directly concerned, but also coloured the outlook of the community generally. For many years practically everybody took sides, and a class feeling was evolved which, supplemented by that developed in urban centres, has continued right down to the present time. Looking back one cannot help thinking that the trouble could have been avoided by throwing open suitable lands as required by bona fide settlers, but no doubt those responsible did what appeared to be the right thing at the time. In any case, the fight for land is largely responsible for the fact that in Australia to-day class feeling is developed beyond any hope of early eradication.

## THE AUSTRALIAN SITUATION

During these years of agrarian dispute, the population generally had been increasing, and manufactures had gradually raised their heads. Coincidently had grown the trades union movement, and as long as fifty years ago the eight hours system was successfully inaugurated. Year by year the unions waxed stronger, until in 1890 was precipitated an epoch-making event in the shape of the great maritime strike. Originating with the maritime unions, it gradually spread around the coast of Australia until many thousands of men in different occupations were sympathetically involved. The strike gained its importance, not so much because of the numbers affected and the fact that the men were defeated, but because it turned the minds of thinking unionists towards politics, and was thus responsible for the political birth of the Labour Party. All through Australia the cry was raised that the workers should aim at direct representation in Parliament, and at the next elections in the eastern colonies platforms were formulated and candidates put forward. Apart from its purely labour proposals, the Labour Party at once associated itself with the demand for cheap land, and thus secured a considerable support from the farming classes in the country districts. Indeed, one of the strongest unions, that of the wool-shearers, was largely composed of small farmers (or "selectors"), and therefore brought backing to the movement in districts where otherwise it would have been naturally weak. So at its inception the Labour Party met with a fair measure of success, and since then, after allowing for defections and internal dissensions, one may say that it has grown with each succeeding election until to-day it commands a majority in the Federal Parliament and in two of the states, while in the remaining four it is the direct opposition.

As the Labour Party is to-day the dominant force in Australian politics, and even where not in power has helped to colour the proposals of its opponents, it may not be amiss to attempt some analysis of its ideals and methods. Starting essentially as a class party, it has gradually gained a broader

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outlook until it now includes representatives of all classes of brain workers as well as manual labourers, and therefore attracts a much wider support than its name might imply. Many of the smaller employers are members of the party, but the vitality and strength of the movement undoubtedly depends upon trades unionism. With the adoption of compulsory arbitration, or cognate methods of settling industrial disputes, new unions have been everywhere established, mainly with a view to securing better conditions through the law. Through the operation of these laws, the conditions of the workers generally have been vastly improved, though in the opinion of many much remains to be done. Once associated for industrial purposes, it is found that working men exhibit a much livelier political interest, and therefore the formal organization of Labour in politics relies extensively upon trades unions. At the same time there is quite a large proportion of working men opposed to the Labour Party, a fact probably due in the main to the strong socialistic leaning of the party. Its declaration in favour of socialistic ideals dates from its formation, but in that respect it is far from satisfying the aspirations of the direct Socialists. These latter desire immediate and revolutionary socialism; the Labour Party declares for evolutionary socialism. Its objective as formally adopted runs:

1. The cultivation of an Australian sentiment based upon the maintenance of racial purity, and the development in Australia of an enlightened and self-reliant community.
2. The securing of the full results of their industry to all producers by the collective ownership of monopolies and the extension of the industrial and economic functions of the state and municipality.

It will be seen that while socialism is not specifically mentioned, the objective clearly aims at a substantial step in that direction, and in this respect the party is representative

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of the general trend of Australian political thought. Even the opponents of the Labour Party, classing themselves as Liberals, include few who are individualists of the old school. Practically all parties are socialistic, in the sense that each is prepared to utilize collective effort as against reliance upon the individual, though differing radically as to degree. Probably the early adoption by Australia of the principle of state-owned railways (first forced upon local politicians by the unwillingness of private enterprise to meet public requirements and later continued as intrinsically desirable) has had a great influence in reconciling the people to further extensions of collective ownership. The tendency towards socialism, or socialistic restrictions upon the individual, has, however, been partly due here as elsewhere to the steady development of business combinations, formed in many cases for quite justifiable objects, but in others used for the purpose of imposing undue exactions upon the public. In Australia these injurious combines have not reached proportions similar to those obtaining in some other countries; but locally they have at least made their presence felt and aroused popular antagonism. The state-owned railways have in some measure secured the people against exploitation, and therefore many are encouraged by their success to seek an extension of the principle of collective ownership. In any case, the position to-day is that politicians of all parties are prepared to use collective agencies to protect the public from private extortion. In its concrete proposals, however, the Labour Party goes considerably further than the older parties. As against the endeavour of the Liberals to regulate monopolies into good behaviour, following generally the lines of the Sherman law of the United States, the Labour Party urges that monopolies should be nationalized, on the ground that only the owners can successfully regulate a business. An amendment of the Federal Constitution to allow the Federal Parliament to nationalize monopolies is to be voted upon by referendum in April next.

To those unacquainted with local conditions the cry

## THE ROUND TABLE

for a "White Australia" may seem somewhat hysterical, but there is no question upon which the people are more united and determined. The objection to coloured immigration originally arose through the influx of Chinese in the gold-digging days. After the first "rush" of adventurers (in the best sense) had demonstrated the richness of the fields, thousands of Chinese were attracted by the same golden magnet, and in many places secured rich areas claimed by the whites as theirs by right of discovery. Much rancour was engendered, and in some places riots occurred sufficiently serious to call for military intervention. The antagonism was for a time confined to the gold-seekers, but as the Chinese increased in numbers and extended their activities to trading and other occupations the classes affected added their voices to the general complaint. Then proposals were made to exclude Chinese immigrants, and after considerable negotiation with the Imperial Government, became law, though not until the Chinese numbered many thousands. It will be seen that the original objection to coloured immigrants was a purely economic one, but as experience was gained of their habits and standard of living, it was realized that they could not be absorbed into the community without its serious deterioration. The abhorrence of racial admixture added force to the original objection, and to-day we find practically a unanimous demand for a "White Australia." It may appear somewhat selfish for a mere handful of people, who cannot themselves develop the immense resources of the continent, to object to the immigration of anyone desirous of exploiting the unused areas; but when outsiders appreciate the menace involved in the proximity to our empty north of hundreds of millions of land-hungry Asiatics, they will perhaps sympathize with the view held in common by all parties in Australia. Asiatic settlement in the Northern Territory, would, as no "Dixie's Land" could be maintained, soon involve a steady drift to the south, and with free ingress the preliminary trickle would soon become a irresistible tide. The people are determined, to the utmost

## THE AUSTRALIAN SITUATION

of their resources, to preserve Australia as a heritage for the white races. The aboriginal natives are numerically a negligible quantity, so there is every opportunity for the building up of a great white democracy if the community can maintain possession against the natural desire of the brown and yellow races to participate in the good things to be found in the Commonwealth. That the Asiatics will for ever tamely submit to be excluded from a country which, while presenting golden opportunities, is yet comparatively unpeopled, can hardly be expected. Therefore Australians are realizing that to maintain their ideals they must fill their waste spaces and prepare for effective defence. To both points we have lately been devoting considerable attention.

Taking defence first, the Federal Parliament has recently passed laws providing for compulsory military training. Every youth who is physically fit will, from 1911, be compelled to prepare himself for taking part in defence. This is being done on a modification of the Swiss system, so that young men are not totally withdrawn from civil occupations. Youths between fourteen and eighteen years of age will be trained as senior cadets, and must attend a minimum number of drills annually. From the eighteenth until the twenty-sixth year, young men must undergo sixteen days' continuous training annually, in addition to attending drills at their home centres during the remainder of the year. It is expected that the habits of discipline acquired will have a beneficial civic influence on the young men of the community, while from a military standpoint it will allow Australia to make the most of the material at her command. Naval defence is also receiving attention, an Australian naval unit having been decided upon. Though both political parties are now agreed as to the desirability of these defence provisions, it is worth noting that they originally emanated from the Labour Party. This simple fact indicates the wide divergence between the views of the Labour Party of the Commonwealth and those in some other parts of the world. It is not that the local Labour supporters favour

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militarism, but rather that they believe that only through an effective citizen army can they save the country from having militarism imposed upon it by a foreign power.

On the matter of white immigration, while no one denies its urgency, there is some difference of opinion as to the steps which should be taken to afford encouragement. The Liberal Party has advocated immigration for years, but the results of its efforts have been comparatively meagre. Some thousands have been attracted annually from oversea, but as compared with our necessities they are but as a drop in a bucket. The Labour Party has steadily advanced the view that before entering upon any large scheme of immigration it is necessary to ensure that land should be readily available. The position is that, in the states where conditions most nearly approximate to those of Great Britain, much land suitable for close settlement is held by large pastoralists, who make a safe and profitable return by stock-raising. These people have rendered good service to Australia in the past, but altered circumstances now demand that room must be found for the farmer. The Labour Party's proposal to make the land more readily available by imposing penalizing taxation upon the large estates was approved by a large majority of the voters, and the tax has lately become law. Whether it will be held constitutional, or achieve the object aimed at, are questions of course open to doubt; but the fact that it was endorsed at the recent elections may at least be accepted as evidence that the people are in earnest as to the need for more population. It is not contended by the Labour Party that immigration should be confined to farmers—as a matter of fact, even under present conditions, employment can be found for thousands of additional artisans in Australia—but it is argued that land occupation should form the basis of any comprehensive attempt to attract additional population. In West Australia and Queensland large areas of good land still remain in the hands of the Crown, and are rapidly being made available to settlers. The Northern Territory, an immense area with a fair proportion of good land, has

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recently been taken over from South Australia by the Federal Government, and will probably be opened up shortly. In the writer's opinion, however, it would be unwise to dump any large number of immigrants in the territory before it has been thoroughly tested by those accustomed to Australian conditions. That white settlement will be successful there seems reasonably certain, but the pioneering should be done by those who have been trained in the adjacent states. The same caution should be exercised in the northern portions of Queensland and West Australia, though perhaps not necessary in the same degree. Although these areas are within the tropics, it does not seem that the climate will prove any serious handicap, as, on the whole, it has so far appeared to be healthy for whites. The real point to be determined is whether Northern Australia is suitable for close settlement. That it can raise fine horses and cattle is already amply demonstrated, but extended experiment work is necessary before anyone can honestly say that old-country people would be justified in attempting small settlements in the far north. In any case, there is room enough and to spare for many additional millions in districts already proved as ensuring a handsome reward to the industrious. Generally, it may be said that the Australian people and their Parliaments are recognizing the urgent need for augmenting the population, and are prepared to assist and encourage the immigration of those likely to help in building up a homogeneous community.

The present feeling in Australia towards imperial unity, though still somewhat vague, is distinctly encouraging. In the earlier years of responsible government in these colonies considerable resentment was aroused by the ill-considered attempts made to control Australian affairs from "Downing Street," but with the advent to the Colonial Office of statesmen with a broader conception of the meaning of colonial self-government a decided change has occurred in Australian feeling. The rise of Japan and the awakening of China are peculiarly significant from the Australian stand-

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point, while the naval activity of continental powers indicates that the Empire may at any time be forced into a life and death struggle, in which our interest would be vital. Therefore to-day all parties are anxious for empire preservation, and some indication of the spirit now prevailing is afforded by the tariff preference voluntarily extended towards British products at the last revision. Recent action in connexion with naval defence, in deciding upon the creation of the local unit, while it may be looked upon by some as separatist in tendency, will be found on closer scrutiny to be really more likely to advance imperial union than the method it superseded. The plan adopted in 1887, when the Australian auxiliary squadron was agreed upon, was for the Admiralty to equip and maintain a small number of vessels on the local station in consideration of an annual subsidy paid jointly by the Australian colonies. The same principle was followed in the agreement made by the Federal Government in 1902, the sum contributed under the agreement being £200,000 per annum. Though from an imperial standpoint this sum was ridiculously small, as years passed by it becomes increasingly apparent that, however desirable a larger contribution might be, there was little probability of securing by way of subsidy from the Australian people anything really substantial. No local enthusiasm could ever be expected in favour of a payment that looked suspiciously like tribute. On the other hand, local patriotism is aroused by the suggestion that we should directly bear our share in empire defence by providing a unit ourselves. At the time of writing, the first vessels of the locally-owned unit have just arrived, and their reception at every port along the coast bears testimony to the degree to which local sentiment has been stirred. A Parliament which haggled over a yearly subsidy of £200,000 has already for something Australian cheerfully committed itself to a capital expenditure of nearly four millions, in addition to over £500,000 annually for upkeep. Further, it is clear that on all sides this is looked upon only as a beginning. If

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it were proposed that an Australian unit should operate only in local waters, some doubt might reasonably exist as to its imperial value, but the public declarations of the Labour Government make it clear that it is to be utilized in war as part of the British navy. The Australian Squadron may therefore be looked upon as an earnest attempt to solve the problem of empire defence.

On the whole, then, an excellent tone exists in the Commonwealth with respect to imperial affairs, but there is no concrete public opinion as to any form of imperial federation. Australians are proud of the Empire and its traditions, and appreciate the freedom they have enjoyed under the protection of the British flag. No doubt they would prefer to be allowed in future as in the past to manage their own affairs in their own fashion, but some of them at least are beginning to inquire whether the present basis is one that can last. Australia may at any time be involved in serious trouble with the Asiatic peoples over the question of exclusion, yet the policy is one upon which the whole community is firmly resolved. Is it to be expected that Great Britain can for all time bear alone the burden of defending the Empire's interests. It seems too much to expect or to ask. Yet it is difficult to formulate a scheme which will ensure joint contributions (either in ships or money) and joint control without risking too greatly the legislative independence which the Dominions value so highly. The problem is urgent, and its solution will undoubtedly be welcomed by the great majority of Australians.

Australia, December, 1910.

## SOUTH AFRICAN POLITICS

THE ROUND TABLE of last quarter left the political situation in South Africa at the conclusion of the first general election for the Union Parliament. General Botha's party, composed of the three provincial parties which had joined in accepting him as Prime Minister, had found themselves with a substantial working majority. On the other hand they were faced by an Opposition which had won considerable prestige in the elections by defeating three members of the Ministry, and which was far stronger in Parliament than the numbers suggest, because it was admittedly a more coherent body than its opponents, and included a larger proportion of effective debaters.

All things considered it must be regarded as fortunate for the country that the new chapter in South African history should open with a legislature in which no party was strong enough to disregard the views of any considerable section of the people, and the history of the first session has on the whole been one of steady recovery from the narrowness and bitterness of the election campaign.

A great impetus was given to this process from the beginning by the splendidly successful mission of the Duke of Connaught, who arrived in Capetown on the last day of October to open the Union Parliament, on behalf of His Majesty the King. South Africans of every race and class threw themselves with enthusiasm into the festivities of the Royal visit, which included most of the principal towns in the Union and Rhodesia. They were genuinely inspired by the stately ceremony of November 4, with all its reminiscences of similar ceremonies in England, and the other Dominions, all of which were represented in Capetown by distinguished delegates. Long before the Duke of Connaught left South Africa there were signs, which could hardly have been foreseen, that the new House was making a determined effort to maintain the best traditions of British Parliaments and the immense powers vested in it by the Act of Union.

## SOUTH AFRICAN POLITICS

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On December 20 Parliament was adjourned till February 1 when it will reassemble and sit continuously for the remainder of the session.

### I. FINANCE AND THE BUDGET

THE first part of the session was mainly occupied with discussion on the financial position as disclosed by the estimates of revenue and expenditure for the period from May 31, 1910, when the Union came into being, to March 31, 1911—the end of the financial year. The South Africa Act provided that from the date of the establishment of Union till the expiration of two months after the first meeting of Parliament the new Government could draw from the Exchequer the money necessary for carrying on the administration of the country without parliamentary authority. The first Budget, therefore, presented to Parliament dealt with the revenue and expenditure of a period more than half of which had already elapsed.

In two other respects also the budget was abnormal. In the first place it does not reflect the expenditure of the Union administration as it will be organized under the new order of things. When Union was established the administrative work of the four colonies had to be taken over, so to speak, as a going concern. The main lines of reorganization have been laid down, but the working out of details will be a long process, and, though the first budget indicates to a certain extent the lines on which the Union Administration will be built up, it would be misleading to regard it as much more than a record of expenditure for which the Union Ministry found itself responsible on taking over the Government of the country from the four pre-Union colonies. Not only has the necessary reorganization of departments and services not yet been carried out, but the Commission provided for in the Act of Union to lay down the financial relations between the central and the provincial governments has not yet been appointed, and, until that

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question has been settled, the whole expenditure of the provincial councils has to be met by grants from the Union Treasury. In the second place the expenditure provided for in the budget is for a period of ten months only, and this makes it almost impossible to set up any useful comparison between the expenditure provided for in it and that of the four governments which have been replaced by the Union. In both these respects, therefore, the budget was an abnormal one, which it was difficult to criticize either by reference to the future financial policy of the Union, or by comparison with the actual expenditure of the superseded colonial governments.

For these reasons detailed criticism of the budget is of little value. The main features from a financial point of view are (1) that revenue balances taken over by the Union Government at its establishment amounting to over £2,000,000 are to be used for paying off Treasury Bills, mostly issued by the Cape Colony to meet the recurring deficits of the years prior to the present financial year; (2) that new taxation is imposed on the profits of mining throughout the Union where such taxation does not already exist, or where the State does not by existing legislation (as in the case of the diamond mines in the Transvaal and Orange Free State) take a larger share of the profits than is intended to be taken by the tax; and (3) that to meet the balance of the expenditure a sum of £1,200,000 is taken from the profits of the railways for the period covered by the budget.

Now the South Africa Act provides that after four years from the establishment of Union the railways system is to be administered so as to earn only sufficient to meet working expenses, with the necessary provision for depreciation and betterment of the system. From that date, therefore, it will no longer be possible for the Finance Minister to save himself from a deficit by making a call on railway profits. The budget, therefore on its revenue side, indicates that in future years other means will have to be found for

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obtaining the necessary balance between revenue and expenditure. On the expenditure side it will, no doubt, be possible to effect large reductions, but, on the other hand, the present budget shows no provision for a comprehensive system of internal defence, which the Government have promised, and the contribution to the Imperial Navy is limited to the amount formerly paid by the Cape Colony and Natal (£85,000), which is generally admitted to be altogether inadequate as a contribution from the Union. The present budget, therefore, shows a decided want of equilibrium between revenue and expenditure, but, for the reasons given above, it will be easier to form a fair judgement on that question when the budget for the ensuing year is presented after the recess.

### II. LANGUAGE AND EDUCATION.

THE legislative programme promised so far is not formidable, consisting chiefly of measures for consolidating the different laws existing in the colonies relating to matters in which uniformity is necessary. It is natural to expect that the main work of the new Parliament, at any rate for the first session, and probably for some time to come, will be of this character. Only matters of immediate urgency are likely to receive the attention of the Government and legislature until some substantial progress has been made with the work of organization, both administrative and legislative, which necessarily follows on a constitutional change so fundamental as that instituted by the South African Union. A good deal of parliamentary time is also likely to be occupied during the first session in debates on motions of a more or less abstract character, reflecting the discussions which took place throughout the country during and before the election campaign, and which naturally come to a head and are ventilated in Parliament.

Some of these already dealt with have been of more than temporary interest, as, for example, the debate on the

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troubles which have arisen in the Orange Free State province in connexion with the Education Acts of the late Free State Parliament, which are associated with the name of General Hertzog. These acts, since they came into operation, have caused loud and widespread protests from the English speaking minority of the province, who, failing to get any acceptable measure of redress from the Government, finally took the extreme step of starting private schools, for the support of which they appealed to sympathizers throughout South Africa. The controversy caused much racial bitterness, both in the Free State and in the other provinces, and during the election campaign formed one of the main themes of the Unionist candidates. The Nationalist party on the other hand sought to show that the whole agitation was insincere and promoted for party purposes by their opponents.

The provisions of the Free State Acts in regard to the medium of instruction are briefly as follows: Except in the teaching of a foreign language English and Dutch are declared to be the sole and equal media of instruction. Up to and including standard 4 every child is to be instructed through the language best spoken and understood by it as the principal medium, and the other language is to be introduced as a subsidiary medium by gradually increasing use as is consistent with the age and intelligence of the child. After standard 4 three "principal subjects" at least must be taught through the English medium, and three through the Dutch medium. Teachers in the service at the passing of the Act are to be graded according to the value of their certificates, whether they were competent to teach through the medium of both languages or not, but if they were not so competent an endorsement was to be made on their certificates. For the future, however, certificates are only to be given after an examination which has to be answered half in English and half in Dutch, or alternatively, if a candidate chooses to answer the papers in one language only he must satisfy the examiners that he

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is competent to give instruction through the medium of the other. The salaries of the teachers are regulated according to the grade of certificates held by them. The practical effect of these provisions is that ability to teach through the medium of both languages is made a necessary condition for entrance into and promotion in the service.

The complaints which have been made against these acts are (1) that it is impossible to educate children efficiently through the medium of the two languages simultaneously without serious waste of time, and that an attempt to do so means that the rest of the child's education is sacrificed to a knowledge of both languages; (2) that it is contrary to the Act of Union that parents should be compelled either to have their children taught through the medium of the two languages, or to lose the time during which instruction is being given through one or other of the two; (3) that it is unfair to teachers now in the service that they should be compelled to qualify themselves to give instruction through both languages, and that as South Africa is not yet supplied with sufficient bilingual teachers who are otherwise qualified to teach, the Free State Acts are bound to lead to the appointment of incompetent teachers, with obvious results on the education of the rising generation.

The advocates of the system reply (1) that it can be carried out without any loss of time or efficiency by teachers who are desirous of making it a success and that it is the only system under which full effect is given to the principle of equality between the two languages laid down by the Act of Union; (2) that the State compels the parent to send his child to school and prescribes what he shall be taught, and, therefore, there is no special or unconstitutional compulsion about its prescribing also in what language he shall be taught; (3) that South Africa is a bilingual country, and, therefore, if teachers are to be really efficient they must as soon as possible qualify themselves to teach through the medium of both languages.

The debate in Parliament on a motion introduced by

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the Opposition condemning the Free State system, was remarkable for the frank, and on the whole, temperate manner in which the opposing points of view were stated. It was equally remarkable for the recognition on both sides that the Union Parliament is the proper forum to which racial differences should be brought for free discussion, and that the Union constitution is the charter to which we must look for their solution. The debate, apart from some bitter reminiscences of the pre-Union racial grievances, turned mainly on the question of whether these laws of the Free State were or were not in harmony with the principles laid down in the Act of Union as to the relations of the two languages, and it ended somewhat abruptly by a proposal from General Botha that a select committee should be appointed

"with a view to ensuring in regard to the system of Public education throughout the Union, the due application of the principles of freedom and equality laid down in Article 137 of the South Africa Act, to examine the educational systems of the four provinces with a view to ascertaining,

- (i) whether they are in harmony with Article 137 of the South Africa Act;
- (ii) whether they involve any compulsion in respect of the teaching or use as a medium of either the English or the Dutch languages;

and in case in any particular they are not in harmony with Article 137 of the said Act, or do involve compulsion in regard to language to make recommendations as to the best means of bringing them into harmony with the principles enunciated in Article 137 of the said Act; due regard being had to the rights assigned to the provincial authorities under the South Africa Act."

This proposal was at once accepted by the leader of the Opposition, and was adopted by the House without further debate, and a select committee was accordingly

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nominated (and is now sitting) composed of four members of the Nationalist party and four from the Unionist party

The discussion and its result are of hopeful augury for the achievement of a lasting basis of good understanding in questions of race and language throughout the Union. No doubt there will be from time to time a recurrence of friction and difficulty in particular cases, however successful the select committee may be in devising a concordat. But the Union Parliament is now recognized as a court carrying supreme authority throughout South Africa, to which grievances can be brought and where, unless this precedent is departed from, they can be fully and frankly threshed out with a view to finding an acceptable settlement, and so long as this is so the Union will have provided the only possible solvent for the racial difficulties of the country.

### III. THE RELATIONS BETWEEN CENTRAL AND LOCAL GOVERNMENTS.

A PRECEDENT of far reaching importance has also been laid down in regard to the relations of the Union Parliament to the provinces in matters assigned to the provincial councils under section 85 of the South Africa Act. That Act, it is true, confers no exclusive jurisdiction on the provincial councils in any of the matters entrusted to them. An opinion has, however, undoubtedly prevailed widely since the establishment of Union that in regard to primary education (which is entrusted to the provinces for a period of five years and thereafter until Parliament otherwise provides) the provinces had in some way a special reservation of their rights as against the Union Parliament. During the election campaign this was freely used by the Nationalist party as an argument against Unionist attacks on the Free State Acts. It was urged that these attacks were in effect an attempt to invade the rights given to the provinces in the Constitution by inviting the interference of the Union Parliament in matters of primary education. The proposal

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of the Government, however, to appoint a select committee of the Union House of Assembly to deal with the question of language in primary schools is a clear acknowledgement of the right, and even the duty, of the Union Parliament to intervene in questions which, though arising out of matters of provincial administration, have raised issues of national importance.

Another question affecting the relations of the Provinces to the Union Parliament was raised in a motion proposed by the Opposition that the commission provided for in section 118 of the South Africa Act, to enquire into the financial relations of the Union Government to the provinces, should be appointed at once. The Government, while admitting that they had had it under consideration, refused to accept the motion on the ground that the division of functions as between the central and provincial governments had first to be definitely settled. The result of this policy, if carried out, would be that for some considerable time to come the provincial administrations would continue to live on grants from the central Treasury. All experience shows that, where local administrative bodies are financed from the National Treasury, with no responsibility for raising the revenues which they spend, the result is wasteful expenditure and constant pressure on the central government for increased grants, and there is no doubt that the Provincial Council would be no exception to this rule. In the end the Government promised to appoint the Commission without delay and the motion was withdrawn.

It is clear that the working of the Provincial Councils will be the point of greatest difficulty in the new constitution. Their functions are those of local authorities. Their size, dignity and machinery are more appropriate to national legislative bodies. It remains to be seen whether the unitary spirit of the constitution will prevail to the extent of sub-dividing the present provincial areas and constituting councils more suitable for the functions entrusted to them, or whether the functions of the councils will gradually be

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enlarged so as to be more in keeping with their external equipment. Much will depend on the financial policy which is adopted towards them. If the sound principle is laid down that they must themselves raise a substantial part of the revenues required for their administration it is unlikely that they will long continue in their present form, as it will be difficult for them to raise any large revenues except by taxes on land and other immovable property. Taxation of this character is not popular in South Africa, and will probably not be imposed except either by local authorities, such as divisional councils to meet purely local needs, or by a central government strong enough to overcome the traditional opposition of the country people.

### IV. EXTERNAL AFFAIRS.

THE revolution in Portugal has served to remind the people of South Africa how closely their interests are bound up with the foreign relations of the Empire. A glance at the map will make this clearer than any verbal argument. The Dutch (who succeeded the Portuguese in the European conquest of South Africa), and after them the British, have pushed their influence and dominion northwards from the southern ports, but both on the east and west the Portuguese have remained in possession of large stretches of the coast with harbours which have now become or are becoming the gateways through which the British territories inland find their easiest and most natural access to the sea.

Delagoa Bay on the east is a hundred miles nearer the gold fields of the Witwatersrand than the nearest British port, and is or could be connected with them by an easier line of railway. By a treaty made in 1909 regulating the relations between the Transvaal and the Portuguese province of Mozambique, in regard to through traffic and the recruiting, in Portuguese territory, of native labour for the Transvaal gold mines, it was agreed that the through railway rates from the various ports to the Transvaal should

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be fixed so as to limit the traffic coming through Delagoa Bay to not more than 55 per cent of the whole. Before this the Portuguese share was well over 60 per cent. If the railways, instead of being owned by the State were worked by competing companies, and the natural advantages of the Portuguese port were used to their fullest extent, in competition with the British ports, there can be little doubt that a much larger share of the Transvaal traffic would find its most economical entry through Delagoa Bay. It is also the natural outlet for the coal and iron fields of the Transvaal, and such export traffic as now exists in Transvaal coal goes out that way.

Further north in Beira the Portuguese have a port whose natural and economic advantages over the British ports on the southern coasts should give it an even stronger position in competing for the oversea trade of the vast and rapidly developing territories of Rhodesia. On the west a line is being built inland from Lobito Bay, in the Portuguese colony of Angola, to the copper fields of the Congo State and Northern Rhodesia, which may in time be used to give to Rhodesia and also to the Witwatersrand, and a portion of the northern Transvaal, a nearer route to Europe than the existing route via Cape Town.

Portugal, in fact, while she has left to her later coming rivals the occupation of the interior, has clung to the coasts through which the inland power, as it extends its dominion northwards, must find its most natural access to the sea. The traditional foreign policy of Portugal, however, has been one of friendly co-operation with the British Empire and the relations between the British and Portuguese colonies here have always been specially close and friendly. Happily the revolution has passed over Portugal so quietly as to leave these traditions and relations undisturbed. If, as the new Government in Lisbon has announced, one of the first effects of the change is to be a quickened interest in colonial affairs, and a policy of vigorous and effective development, the new Republic will find much

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sympathy and encouragement from the British South African household of which she is so near and important a neighbour.

If, however, things had gone differently, as they easily might, and Portugal had either lost the sympathy of her South African colonies in the recent revolution, or deliberately withdrawn from the burden of oversea dominions, we in South Africa would have found ourselves near the centre of a difficult and delicate crisis in the foreign affairs of Europe. We are coming to realize that the old idea that the first principle of inter-imperial relations should be the non-interference of Downing Street in colonial affairs is not the whole truth. For our own growth and the increase in the power and activity of foreign powers, make it more and more probable that occasions will arise—international complications about Delagoa Bay, the natural port of the Transvaal, would be a case in point—when we should be quite powerless to deal with a matter of immense local concern, unless we had the strength of the Empire behind us. How our views are to be reconciled with those of the Imperial Government and the other Dominions, and the resources and strength of the Empire wheeled into line in support of a common policy, is the great question of the future. But it is well that events like those in Portugal recently should remind us of the possibilities and the problems which lie before us.

NOTE. The financial commission alluded to by our South African correspondent has since been appointed. The chairman is Sir George Murray of the British Treasury, nominated by the Imperial Government. The other members are Sir Perceval Laurence, representing the Cape Province, Sir Thomas Hyslop, representing Natal, Mr C. H. Wessels, representing the Orange Free State, and Mr Patrick Duncan, representing the Transvaal.

# NEW ZEALAND AFFAIRS

## I. INTRODUCTORY

AS this is the first of a series of letters designed to give those residing outside New Zealand a clear view of the facts of the politics of the Dominion, in so far as they bear, directly or indirectly, on the problem of the future relations of the different parts of the British Empire, we must endeavour to present in this preliminary sketch an historical outline, so that readers of these letters, in considering possible modifications in the political structure, shall be chary of judging hastily and supporting plans for uprooting those parts which circumstances have grounded firmly in the national life and which the experience of the past has shown to be peculiarly suitable to the general environment of the people. All that we can attempt, however, in this first communication, especially as the approaching Imperial Conference calls for notice, is merely to outline some of the more important features of our life that will inevitably influence the judgement of New Zealanders upon any plan of closer union with the other parts of the Empire, leaving to subsequent letters the filling in of minor details.

## II. DISCOVERY AND COLONIZATION

TASMAN, a duly accredited agent of the Netherlands Government, discovered New Zealand in December, 1642, but he did not land, and the bare fact of discovery was, even at that time, not recognized as an adequate basis to support a claim of proprietary right over the territory discovered. Tasman's new found land was neither utilized by the Dutch nor explored by other nations; but it is an interesting indication of the reluctance of English statesmen of the early nineteenth century to found colonies that the obsolete and weak Dutch claim was momentarily revived by them about 1825 as a convenient excuse for refusing official recognition to the company which was then pro-

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posing to colonize a part of New Zealand. During Cook's six months' stay—October to April, 1769-70—he surveyed the islands, formally took possession of them for the British Crown, and reported upon the best place for establishing a colony. But the inchoate title thus established was not developed. From 1814 onwards many British subjects—some drawn hither by love of adventure and the prospective delights of an idyllic life among the Maoris, some by the desire for commercial gain, some by the hope of propagating the Christian faith—fixed their residence here, cultivated the soil, and began to export the natural products—seal-skins, whalebone and oil, flax, and timber—and had grown by 1840 to the number of 2,000, claiming to have bought four-fifths of the whole area, or nearly 45 million acres. But the British Government on several occasions\* disavowed sovereignty over New Zealand, chiefly for reasons that influence the current colonial policy.

But two forces were already operating to compel British annexation: the French were displaying great activity in the Pacific in the thirties and in 1839 had planned a colony in New Zealand, and the indefatigable Edward Gibbon Wakefield had banded enthusiastic supporters of his systematic colonization scheme into the New Zealand Association of 1837, merged in 1839 into the New Zealand Land Company, which announced its intention of colonizing the country. Hence the letters patent of June, the hurried despatch of Captain Hobson to New Zealand, the cession of sovereignty over the islands in the Treaty of Waitangi by the Maoris in February, 1840, and the formal proclamations of sovereignty in the following May and June

### III. POLITICAL PROGRESS

TILL May 3, 1841, New Zealand was a dependency of New South Wales, her affairs being administered by Lieutenant-Governor Hobson. In 1841 it was erected

\*E.g. in 1817, 1823, 1825, 1828, 1832, 1835, 1836.

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into a separate Crown Colony with a Governor and nominated Legislative Council. On August 28, 1846, a British Act was passed under which a charter was issued dividing the colony into two provinces and granting it representative institutions. Governor Grey, however, took the extreme step of refusing to carry out part of the instructions under the Act, and on his advice a statute of 1848 suspended for five years that part of the Act which had conferred representative institutions on the colony. From January, 1848, to March, 1853, there was a Lieutenant-Governor in each of the Provinces, under the Governor-in-chief of the colony of New Zealand. In January, 1853, the form of government granted by the Constitution Act of June, 1852, was proclaimed in the colony. This Act established representative institutions and constituted the colony a kind of federation. Its general affairs were to be directed by the Governor and a General Assembly of two houses, one nominated by the Governor in Council and the other elected by the colonists, while for purposes of local government it was divided into six provinces, each with a representative assembly of one house and an elected superintendent. Responsible government was not established firmly till 1856. Native affairs were reserved for the direct control of the British Government till 1863, when the responsibility for them was entrusted to, and accepted by, the New Zealand Legislature. This federal form of government lasted till November 1, 1876. From that time the government of the colony has been in the hands of a Governor and General Assembly, which has assumed some of the functions of the Provincial Councils and divided the remainder among county, city, borough and town councils, and road, drainage, and education boards, etc. Since 1879 the duration of Parliament has been regulated by the Triennial Act. Changes in the Parliamentary franchise shew the rapidly advancing democratic sentiment; in 1879 every resident male of twenty-one years of age and over was admitted to the vote; ten years later the principle of "one man, one vote" was recognized by the

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view that a voter should vote only in one electorate; in 1893 the franchise was extended to women on the same terms as the men hold it; and in 1896 the non-residential or property qualification to vote was abolished.

Once under the ægis of the British navy, the colony was free from apprehension of any attempt at seizure by foreign states and able to devote all its energies to internal economic and political development; but the growth of rapid means of communication and the establishment of foreign colonies in neighbouring islands raised external problems, and, in particular, made the more thinking portion of our people speculate as to the future relations of the colony with the Pacific Islands and with Australia.

During his first governorship, 1845-53, Sir George Grey took active steps to institute a federation of the islands of the South Pacific, with New Zealand as the dominant state, and though he was supported by Bishop Selwyn, the British Government remained uninterested and allowed some of the best of the groups to be annexed by France and Germany and to become a source of irritation to the free British communities. The exigencies of Pacific politics had, on more than one occasion, forced the Eastern Australian colonies and New Zealand to offer common advice or to take common action; but public opinion in New Zealand was not prepared to merge the colony in the Commonwealth of Australia. Not only did it recognize the difficulties springing from distance and comparative isolation and from our different geographical environment, but it also clung tenaciously to the idea of independence and prided itself on the past history of the colony which, distinct from that of Australia, seemed to mark our land out for separate development in the future. Already many in New Zealand were hoping she would become a sister state to Australia in a far wider reaching federation, and they were not prepared to sacrifice this expectation for the small advantage offered by immediate incorporation in the huge continental state.

This feeling of growing nationality partly explains the

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extension of the colony's boundaries to include the Kermadecs in 1887, and the Cook and "other islands" in 1901; the promotion of the Agent-General's office to that of High Commissioner in 1905; and the proclamation of the colony as a Dominion from September 26, 1907. The only concrete changes involved in the latter were those of nomenclature, such as the substitution of "Minister of Finance" for "Colonial Treasurer," and so forth; but, as Lord Islington said, in a recent speech, the promotion of New Zealand to a Dominion may be regarded as the local and titular complement to that organic movement which has been in progress in other parts of the Empire, and it insensibly but materially brings the status of New Zealand into closer relations with that of the other self-governing dominions. Thus viewed, it is a necessary step in the movement towards any form of organic union of the Empire for dealing with matters of common interest.

### IV. POPULATION AND SETTLEMENT

THREE facts greatly influenced subsequent history: the systematic colonization of much of the country on Wakefield's plan; the planting of several settlements in districts separated from one another, some of them without many common interests; and the colonists' ignorance or disregard of native land law and custom. The first ensured a supply of colonists of high ideals, unbounded energy, and firm determination to establish a new and better Britain in the south; the second, while promoting a healthy rivalry of parts, explains the keen provincial jealousies, some of which persist to the present day; the third, by embittering the relations of the colonists with the local government, which was bound to respect the rights of the natives as acknowledged in the Treaty of Waitangi, and, secondly, with the Maoris, seriously retarded the progress of settlement and involved the colony in a long series of harassing wars (1844-73).

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The seat of government was fixed in 1840 by Hobson at Auckland (it was transferred to Wellington 1864-5) in the north, in which region the majority of the earliest settlers had established themselves. The New Zealand Company, directly or indirectly, founded colonies on Wakefield's plan at Wellington and Wanganui, 1840; Taranaki, 1841; Nelson, 1842; Otago, 1848; and Canterbury, 1850.

The chief factors governing the growth of population after the establishment of these colonies were the gold discoveries, the public works and immigration policy of the 'seventies, and the later pastoral and agricultural expansion. Population has increased continuously, in spite of the Maori wars, the great distance from Europe, and severe commercial depressions. Between 1871 and 1881, the period during which Vogel's public works and immigration policy was in full operation, population doubled, being in the latter year about half a million, or half of the present population. Immigrants were attracted by assisted passages and by grants of land. State-assisted immigration was discontinued in 1890; but it was revived in 1906, and for the year ending March 31, 1909, nearly 5,000 people were assisted from England by the State, bringing a capital of £96,000 at a cost of £17,000 to the Dominion. Gold was first discovered at Coromandel in 1852, but the Coromandel goldfield was not opened till ten years later; the first payable gold was found at Collingwood, Nelson, in 1857; in 1861 a rich field in Otago was discovered; in 1864 there were discoveries on the West coast of the south island; and in 1867 the Thames goldfield was opened up. The effect on the population is shown by the increase in the year 1862-3, which amounted to nearly 40,000. One of the results of the gold discoveries was increased immigration of Chinese; by 1881 the Chinese population was 5,000, and from that year to 1896 an immigration poll tax of £10 a head was imposed on the Chinese; from 1896 this tax has been £100, and the immigration of Chinese has been restricted in other ways, an Act of 1907, for example, pro-

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hibiting the landing of any Chinese who cannot read a printed passage of not less than 100 words of English. The census of 1906 enumerated 2,570 Chinese, the majority of whom are gold miners, market gardeners, fruiterers or greengrocers, laundrymen and storekeepers. It is the opinion of many in the Dominion that a more vigorous immigration policy should be pursued by the Government. It is recognized that the natural increase of population, the excess of births over deaths, is unusually high owing to the character of the death rate, which is the lowest in the world; but it is held that an increase in the total population of the country would be accompanied by a more than proportionate increase in national productive efficiency.

Our people are almost wholly British or of British descent; in 1906 the birthplaces of the people were shown to be as follow: New Zealand, 68·26 per cent of the total population; United Kingdom, 23·53 (England and Wales, 13·37; Scotland, 5·38; Ireland, 4·78); Australia, 5·35; foreign parts, 2·24.

The immigration of aliens generally has been regarded with disfavour, and this policy has found expression in the law prohibiting the landing of any alien who fails to write out and sign a prescribed form of application in any European language (1908).

There is no doubt that there exists in New Zealand a strong antipathy to the yellow races of the East. The cause is partly a natural race prejudice, partly economic, for the New Zealand worker objects to the cheap labour of the Asiatic, and partly the result of the strong anti-Asiatic agitation in the neighbouring Commonwealth, which, unlike New Zealand, has territory bordering Asiatic seas and not easily exploited by white labour, and which has already experienced to some degree the horrors of a mixed white and yellow population. This feeling, unreasonable though it may appear to the people of the old country, is real, and has influenced the way in which the British-Japanese agreements of 1902 and 1905 are regarded here. We specu-

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late as to the position under the present agreement expiring in 1915, of British countries like Canada, Australia, and our own, bent strongly towards the prohibition of anything approaching a regular yellow immigration, were Japan to become involved in a war with the United States on the question of immigration or the treatment of the yellow people on her Pacific coastal lands. It may have been a contingency such as this which a Canadian statesman had in his mind when he hinted recently that England at war would not necessarily mean Canada at war. Certainly an alliance with the United States would now be much more popular with us than the Oriental agreement. And one of the factors turning our thoughts towards closer union with England is the feeling that some time effective protection will be required against the Oriental powers. The antipathy may seem founded on no more solid basis than impalpable sentiment; but such a sentiment is as natural as that pride of race and of social traditions which binds us so strongly to the home country; and in politics the feelings, even more than the intellect, determine the main issues.

The land available for settlement is estimated at  $27\frac{1}{2}$  million acres in the North Island (13 agricultural,  $14\frac{1}{2}$  pastoral) and 28 in the South Island (15 agricultural,  $13\frac{1}{2}$  pastoral). Of the total,  $55\frac{1}{2}$  millions, 38 millions are occupied, there being over 75,000 holdings, only 21 per cent of which are over 320 acres in area. Nearly 17 millions are freehold,  $3\frac{1}{2}$  millions are leased from individuals or local authorities, nearly 2 millions are leased from Maori owners, and 16 millions are held from the Crown on different tenures. The capital value of the holdings is £96,000,000; the unimproved value £67,000,000. The lands at present owned by Maoris amount to about  $7\frac{1}{2}$  million acres, valued at £12,000,000; and the Crown has the right of purchase over such lands in certain districts at a price not less than the official valuation.

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### V. THE NATIVE QUESTION

ALMOST from the very beginning of colonization the white settlers came into conflict with the Maoris. This was the inevitable consequence of the prospective colonist's desire to acquire land, together with his complete ignorance of an extremely complicated native land law, an ignorance of which the highly intelligent Maoris were quick to take advantage. In the Treaty of Waitangi the Maoris ceded to the British Crown all their rights and powers of sovereignty. On the other hand, Her Majesty guaranteed to the chiefs and their tribes full, exclusive, and undisturbed possession of their lands, forests, fisheries, and other properties; the Crown was to have pre-emptive rights over the native lands; and the natives were to be accorded all the rights and privileges of British subjects. This treaty, however, was a source of bitter contention for many years between not only the home and local governments, but also the colonists and both governments. Disputes over land titles originated in several ways and developed into fierce wars, in which colonial and imperial troops fought side by side. By 1870, however, the worst had passed, and the imperial troops had left New Zealand. Since 1873 the country has been at peace, though there have been many minor disputes over the ownership of land.

Unfortunately, peace has not brought to the Maoris blessings equal to those it brought to the pakeha (white man). Sale and lease of his lands to the white race have often brought him luxury without toil. Disease and depopulation have followed, and a race which in 1800 numbered over 100,000 has now shrunk to fewer than half that number. The decline, however, has now ceased; the following table shows the movement in numbers for the past twenty years, but it is possible that the increase shown by the two last censuses is due to more effective methods of enumeration.

<i>Year.</i>	<i>Population.</i>	<i>Year.</i>	<i>Population.</i>
1886	42,000	1901	43,000
1891	42,000	1906	48,000
1896	40,000		

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Contrasting strongly with the antipathy against the Chinese is the friendly spirit shown towards the Maoris, partly because we appreciate their innate nobility, and partly because they do not increase materially in numbers and are not competitors, like the Chinese, in the labour market.

The Maori, for his part, is on excellent terms with the white; mixed marriages occur in all grades of society; stringent laws control the sale of alcoholic liquor to the native race; while education, along academic, technical, agricultural, and domestic lines, is at last slowly fitting them to take a place in the elaborate scheme of European civilization. They were admitted to the parliamentary franchise in 1867; but so far they vote for members to represent their race only, the Dominion being divided into four electoral districts for that purpose. Two members of the present Cabinet are of Maori blood, one of them a barrister and honours graduate of the University.

### VI. COMMUNICATIONS

NEW ZEALAND'S geographical position renders the question of cheap, rapid, and regular communication a matter of the utmost importance in a world where the element of time is a factor of ever increasing importance. Regular lines of passenger and cargo vessels have connected New Zealand with England, via Cape Horn and the Cape of Good Hope for nearly half a century; no inconsiderable progress has been made in this respect during the last few years, and still more important developments are probable in the near future. Mails are despatched by all these routes, the time occupied being approximately six weeks. We have also had a subsidized mail, cargo and passenger service via North America since 1870; the time occupied has been five weeks; sometimes it has been via Vancouver, sometimes via San Francisco. At present it is largely a question of whatever suits Australia; but the increase of New Zealand's

## THE ROUND TABLE

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wealth and trade points to a time not remote when New Zealand will subsidize direct liners between the Dominion and America.

In 1876 cable communication with England was completed via Australia. In 1902 the Pacific (all red) cable gave the Dominion communication with the homeland via Canada. In 1901 New Zealand established "universal" penny postage, i.e., a penny service to the United Kingdom and most of the British possessions, and recently the New Zealand parliament sanctioned a scheme for the establishment of a system of wireless telegraphy which will bring New Zealand into touch with Australia, Fiji, and other Pacific Islands. It will thus form one, and perhaps the first, great link in that chain of stations which will bind in invisible and inseverable bonds our world-encircling empire.

### VII. TRADE AND FINANCE

NEW ZEALAND is situated close to the centre of the water hemisphere. Her nearest commercial neighbour, Australia, is 1,200 miles distant; while her best customer, the United Kingdom, is no less than 11,000 miles away. New Zealand is approximately 6,000 miles from South Africa and the United States of America, and 6,300 miles from Canada. Her population is a million; she has no city of more than 100,000 inhabitants; and the aggregate population of the four largest cities does not exceed 300,000. These facts, and other disadvantages incidental to her youth, have proved hindrances to rapid progress in the manufacture of goods of a secondary order. Yet commerce flourishes, and the ratio of her urban to her total population is, in the opinion of many, already so high as to diminish her chances of healthy national development.

The basis of her wealth is her soil and climate. Leaving out of consideration coal and gold (the production of the latter does not increase), New Zealand's mineral resources,

## NEW ZEALAND HISTORY

however potentially great, are so far practically undeveloped. But the products of the fertile soil and genial climate are rapidly increasing in quantity and value. The following table shows the growth of the value of our export trade:

	£
1860	549,000
1870	4,545,000
1880	6,102,000
1890	9,429,000
1900	13,055,000
1909	19,662,000

It should be remembered, in reading this table, that the general level of prices rose between 1860 and 1874, fell thence to 1895, and rose again till 1907, from which date there has been a fall.

Of the total export trade of 1909, wool accounted for £6,306,000; frozen and preserved meats for £3,600,000; butter and cheese for £2,745,000; and agricultural produce for £976,000. The products of the soil and pastures alone accounted for £15,608,000, or 79 per cent of the total export trade. Our exports were distributed as follows: To the United Kingdom, 82 per cent; to other British possessions, 12·5 per cent; and to foreign countries, 5·5 per cent. An import trade of £15,675,000 in 1909 was principally in textiles, hardware, sugar, tea, spirits, and paper. 59 per cent of the imports came from the United Kingdom, 27 per cent from the British possessions, and 14 per cent from foreign countries. All these statistics referring to 1909 are representative of the general position of our trade.

Since 1888 the policy of the New Zealand tariff has been avowedly protective. In 1895, however, reciprocal trade arrangements were entered into with South Australia and Canada. By the first treaty New Zealand consented to admit South Australian wine, olive oil, fruit, and salt duty free, while South Australia accorded the same treatment to New

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Zealand barley, hops, oats, and horses. The agreement was for seven years, but it was terminated in 1901 by the formation of the Australian Commonwealth, with which no reciprocal agreement has yet been made. The effects of such a treaty are difficult to estimate, as it is almost impossible to isolate them from the trade variations due to general commercial conditions. It should be stated, however, that, while our imports from South Australia remained almost stationary, our exports thereto more than doubled. The treaty of reciprocity with Canada provided for the admission of some twenty articles duty free, and for the preferential treatment of a number of others. This treaty was in existence for a very brief period, and any tendency which it might have had to promote reciprocal trade was no doubt nullified, to a great extent, by the lack of quick, regular, and direct steam communication. Although Canada has no longer a reciprocal treaty with New Zealand, she enjoys whatever benefit flows from the New Zealand preferential legislation of 1903 and 1907. By these laws certain articles of British manufacture are admitted into New Zealand at a lower rate than the same articles from foreign countries. As these articles are not such as can be profitably produced in New Zealand and as the preference takes the form of increasing the duties on foreign goods and not reducing them on British goods, the measure does not involve any conscious sacrifice on the part of New Zealand. Out of 486 main items on the tariff, no fewer than 193 are now subject to the preferential surtax. New Zealand, of course, shares in the preference accorded to British imports by Canada's 1907 tariff. The value of the preference given to British goods in 1909 in New Zealand is estimated at 12½ per cent. The customs revenue from foreign goods subject to the surtax increased last year by £85,000 in consequence of the surtax. The following table shows the value of our import trade from the United Kingdom and foreign countries (not including British possessions) as percentages of our total imports:

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	<i>United Kingdom.</i>	<i>Foreign Countries</i>
1901	59	17
1902	61	17
1903	60	16
1904	60	17
1905	61	17
1906	59	15
1907	59	14
1908	60	15
1909	59	14

It is to be noted that in some of our trade with foreign countries, the United Kingdom cannot hope to share; for example, we draw the whole of our kerosene and petroleum from the United States.

The excess of exports which marks the normal state of our trade is, of course, the result chiefly of interest payments on British loans and freight charges paid to British shipowners. By the Customs Duties Act of 1908 the Government of New Zealand is empowered to establish reciprocal trade relations with other states. In the preceding year New Zealand had entered into such relations with the South African colonies, whereby certain articles were admitted by each country at special rates, and all others at 3 per cent less than the duty payable under the general tariff. Since 1907 the percentage of our South African trade of our total trade has been:

	<i>Imports.</i>	<i>Exports.</i>
1907	·01	·32
1908	·03	·53
1909	·04	·62

The outstanding feature of the public finance of New Zealand from the imperial point of view is the large public debt, which is held chiefly in England. The amount of the debt of the central government at March 31, 1910, was £74,000,000, or about £75 per head of the white popula-

## THE ROUND TABLE

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tion, against which a sinking fund of over £3,000,000 had accrued. During the present session of Parliament an Act has been passed by which the Minister of Finance hopes to repay the whole of the present debt in 75 years. The bulk of the loan moneys have been employed on work that is directly or indirectly reproductive. According to the last Budget, if we deduct the amounts represented by assets such as railways, native lands bought with loan money, and money advanced to local bodies secured on rates, the total amount of the debt will not be more than £25,000,000. The percentage of the total debt spent on services is about 65 (railways, 33; roads and bridges, 9; public works and buildings, 7; immigration, 3·5; Maori wars, 3·3; land purchase, 3; defence, 2·8; telegraphs, 1·9); on investments by way of purchase of lands for settlement, advances to settlers and loans to local bodies, 23·25; whilst 11 per cent has gone to meet deficiencies in revenue, charges in raising loans, and miscellaneous expenses. The total interest charges are over 2½ millions a year, or about 25 per cent of the revenue of the state; this percentage has been continually falling despite the rapid increase in the debt, and the Minister of Finance holds that for every million increase of our debt our assets have increased by three millions. The debt of the local bodies was on March 31, 1908, 12½ millions, 7½ having been raised in the Dominion and 5½ abroad, involving an annual charge of £658,000. This does not include money borrowed from the central government. General taxation takes the form of customs and excise, returning about two-thirds of the tax revenue; land tax, returning 14 per cent; income tax, 7 per cent; death duties, 6 per cent; and other direct taxes, 6 per cent. The tax system is in part designed for other than financial purposes, e.g., there is a heavy graduated land tax imposed to "burst up" large holdings of land. The total revenue of the central government is about 9 millions a year, derived nearly equally from taxation and other sources; the total expenditure is usually less than the revenue.

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### VIII. DEFENCE

TILL recently the question of defence has not been regarded as a serious problem by New Zealand. Her geographical position and the overwhelming strength of the British navy allowed her to grow up almost without a thought of interference from foreign powers. All her resources were free to be devoted to internal development. The Maori wars necessitated the employment of British troops; but in 1870 the last of these left New Zealand, and colonial troops successfully terminated the struggle a few years later. Till 1887 the British Government maintained a small fleet in Australian waters; but the increasing strength of foreign powers in the Pacific, and the awakening of the Australasian colonies to the dangers which stalked at their door, made some new arrangement imperative. New Zealand was represented at the 1887 Colonial Conference, the main object of which was the organization of the military defence of the empire. As a result of this Conference, the New Zealand Parliament passed the Australasian Naval and Defence Act, by which New Zealand agreed to contribute towards the cost and maintenance of a British-Australasian Squadron. This squadron was to form one undivided whole; but, owing to New Zealand's exceptional geographical position, it was agreed that two vessels should be permanently stationed in New Zealand waters. New Zealand's contribution, apportioned on a population basis, amounted to £21,452 per year.

Opinion in the New Zealand Parliament was practically unanimous on the measure. The Premier, Major Atkinson, viewed it as a step towards ultimate federation. He condemned the idea of a local navy and also sought to commend the Conference scheme by declaring that a large part of the subsidy would necessarily be expended in New Zealand. The leader of the Opposition, Sir Julius Vogel, an ardent Federalist, gave the Bill loyal support, but thought the tendency of such measures to be anti-federal. He deprecated the idea of making separate portions of the Empire

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responsible for local defence. The Empire should be regarded as one undivided whole, and all parts should contribute to a common defence fund. In the mind of the Premier the chief obstacle to federation lay in the indifference of the people of the United Kingdom towards the colonies. The leader of the Opposition, however, saw the chief obstacle in the growing wealth and independence of the colonies—a difficulty destined to increase with the years. Criticism of another kind came from a small party, which declared that the colonies should not be dragged into European disputes, and that the Great Powers should each adopt a colonial flag, whose neutrality should be respected during wars which might, from a certain viewpoint, be deemed to concern Europe only.

This agreement remained in force till 1903, when, as the result of a motion proposed by New Zealand at the Imperial Conference of 1902, New Zealand and Australia increased their naval subsidies, New Zealand henceforth paying £40,000 per year, or one-thirteenth of the cost of maintenance of the squadron, as against five-thirteenths paid by Australia, and seven-thirteenths by the United Kingdom. This raised New Zealand's naval contribution from 6½d. to 1s. per head, and brought her total naval and military expenditure up to 3s. 4d. per head. At the same time the United Kingdom was expending £1 9s. 3d., New South Wales 3s. 5d., Victoria 3s. 3d., and Canada and Cape Colony each 2s. per head. The Bill giving effect to the new arrangement was passed almost without debate. The opinion was unanimous that New Zealand was not paying an adequate sum for the protection afforded. In 1908 the subsidy was further increased to £100,000 per year, again without opposition. This raised New Zealand's naval contribution to 2s. 2d. per head.]

During the South African war New Zealand raised and equipped about 7,000 men at a cost of £250,000. This policy met with almost unanimous approval, though keen criticism of the causes of the war was expressed in a few quarters.

## **NEW ZEALAND POLITICS**

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In 1909 the New Zealand Government offered a Dreadnought, or two if necessary, to the British navy. The offer was subsequently unanimously approved by Parliament, though the Government was subjected to severe criticism for having made the offer without consulting the Legislature. In support of his action, the Prime Minister, Sir Joseph Ward, said that the administration knew of one matter that they regarded as of the most dangerous significance, and they considered that the moral effect of any offer they could make would be the greater the more promptly such offer was made. Other members, however, doubted whether, in presenting a Dreadnought, we were expending money to the best advantage. Might not the ship, it was asked, be laid up with a skeleton crew by some "Little England" Government? Some advocated the formation of an Australasian navy which should police the Southern seas from Cape Horn on the east to Cape Town on the west, and which, in the event of war, would be strong enough to capture and hold the possessions of any hostile power in the South Pacific. Above all, the point was raised that, since our contribution to the British navy has increased and is likely to increase much more, it is imperative that we have some voice in deciding the foreign policy of the Empire. Some means should be devised to ensure that, in case of disaster to England, peace should not be purchased at the price of the transfer of such places as New Zealand to foreign powers. On the whole, the debate revealed that all were actuated by the keenest sense of New Zealand's liability to attack and of the necessity of her assuming a fair share of responsibility for maintaining the integrity of the empire.

The New Zealand Defence Act of 1909 marks what is probably the most important step New Zealand has yet taken in defence. This Act and the amending Act of 1910 made necessary by Lord Kitchener's recommendations render every New Zealander, with certain exceptions, between the age of 18 and 25, liable to be called upon to undergo military training. The principal features of the

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scheme are the formation of a Territorial force of 20,000 men, recruited voluntarily if possible, and the institution of a general training section. At the recruit stage—between 18 and 19—the recruit must undergo a fortnight's training in camp in addition to the ordinary home training. From 19 to 25 the period of training in camp is reduced to six days per year.

As military drill and the "cadet system" are now compulsory in all primary and secondary schools, the youth of the Dominion will undergo a continuous course of training till the age of 25. Public opinion is almost unanimous in its approval of some such scheme; but the financial, industrial, and social difficulties involved, make it necessary to restrict considerably the number that may be called up. At any rate the Bill establishes a principle whose operation may be extended as circumstances permit.

In 1910 New Zealand will expend on military defence £350,000, which, with the naval subsidy, makes a total expenditure of £450,000 on defence, or approximately 9s. per head. It is probable that the operation of the new Defence Act will cause a considerable increase in this amount.

### IX. THE CONFERENCES

THE principal object of the 1887 Conference was the discussion of the best means of securing the military defence of the Empire. So far as New Zealand was affected thereby the principal result was the contribution of the annual sum of £21,452, towards the maintenance of the squadron in Australasian waters. Though the subject of Imperial Federation was expressly barred at the conference, on the ground that the colonies had made no pronouncement on the matter, the subsequent debates in the New Zealand Parliament on the naval subsidy revealed the idea already stirring in the minds of many New Zealanders. New Zealand was growing in population and trade, and

## NEW ZEALAND POLITICS

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was becoming more and more capable of sharing the burdens of common nationality; but what influenced the minds of our public men most was the steady growth of the foreign possessions of Germany and France among the islands of the South Pacific. At this time New Zealand vainly endeavoured to impress upon the British Government the necessity for making the Governor of New Zealand the High Commissioner of the Pacific. In 1897 the Colonial Premiers again met in conference; but it was clear that the time was not yet ripe for the formulation of any definite scheme of Imperial Government, in which all the colonies could share. In fact the Premiers of New Zealand and Tasmania were the only members that raised dissentient voices from a motion affirming that the existing political arrangements of the empire were satisfactory.

When the Imperial Conference next met in 1902, public opinion had moved far and fast. The empire had passed through a great crisis; the colonies had all tasted a little of the realities of war. Strong though indefinite feelings had been aroused that the empire should stand as one undivided whole, and not as an aggregation of separate states bound by a common sympathy yet free to pursue divergent ways at critical times. At this conference New Zealand, through its representative, Mr Seddon, played a prominent part. Among the suggestions he made were the strengthening of the Australasian Squadron, and the formation in each colony of an Imperial Reserve, which might be despatched for service to any part of the empire. Colonists also, he urged, should be given opportunities for obtaining commissions in the Imperial army and navy. He proposed that the colonies should accord preferential treatment to British goods carried in British ships, and that the British Government should reciprocate by reducing the duties on taxable products from the colonies. New Zealand had suffered through the operation of the American coastal shipping laws, and Mr Seddon suggested that the British Government should use its efforts to obtain the mitigation of those

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laws, or, failing in that, devise some means of applying similar laws to the British colonies.

He advocated the establishment of a subsidized line of fast merchantmen between the United Kingdom and the Australasian colonies, such ships to be capable of conversion into cruisers, and he insisted that the time had come for regular conferences, mentioning three years as a suitable interval between the meetings.

The universal interest in imperial affairs this conference aroused in New Zealand expressed itself in two pieces of practical legislation—the increase of the naval subsidy to £40,000 and the adoption of a preferential tariff on certain goods from the British Dominions.

When in 1907 the Premiers were again called to conference the idea of imperial co-operation had taken firmer root. The New Zealand representative, Sir Joseph Ward, suggested that these consultations should no longer be called Imperial Conferences, but Imperial Councils, as the latter term implied permanence of organization and continuity of purpose. This council, to consist of the Prime Minister of the United Kingdom, the Prime Ministers of the Colonies and the Secretary of State for the Colonies, should have only consultative and advisory functions on all imperial subjects, i.e. subjects affecting directly the interests of the colonies as well as those of the United Kingdom. The members of this council should correspond with each other during the recess. He strongly urged that the self-governing colonies should be represented by a separate minister in the British Cabinet. He advocated the preferential treatment of British goods and the appointment of trade consuls throughout the empire, and urged upon the conference the necessity of establishing rapid steam communication between the United Kingdom and the colonies. He entered a most forcible protest against the exorbitant dues of the Suez Canal. He pointed out how the strain of providing for the internal development of so young a country as New Zealand made the maintenance of a local navy impossible,

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though next year New Zealand in part admitted her responsibility by increasing her naval subsidy to £100,000, i.e. by 250 per cent.

At the Defence Conference in 1909 New Zealand preferred to adhere to her present policy of contribution. It was decided to apply her subsidy towards the maintenance of the China unit, of which some of the smaller vessels would have New Zealand waters as their headquarters.

It will be easily seen from our rapid sketch that New Zealand has had a full share of the favours granted by the mother country during the last sixty years in the shape of political freedom, commercial autonomy and protection from aggression, and that she has now begun to feel the impulse to shoulder some of the responsibilities every people must bear on its way to develop nationality, and this impulse, we believe with Lord Milner, is even stronger in the people than in the politicians. The rapid growth of our external trade, whose annual value is now nearly 40 millions, the increasing national wealth—it is now roughly estimated at 700 millions—and the appearance of strong foreign powers on the Pacific, are arousing in our people a keen sense of our dependence on British naval supremacy and of our obligation to assist in maintaining this essential condition of our wealth and liberties. This feeling may carry us far along the way to closer union with the whole empire, but one necessary condition precedent to organic union is a more intimate knowledge of each state in the minds of the others. Unfortunately, despite the great modern improvements in the means of communicating ideas, there is growing up in these over-sea states a race that knows England and one another only from books often written on insufficient and ill-digested data, or, worse still, from meagre and intermittent cable "news." The blame must be shared by several factors, not the least culpable being, in this state, a system of education that discourages any general intimate knowledge of the history of the British race and institutions, and fosters unduly the spirit of insularity which is

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already stimulated too highly by our geographical environment.

Still, many of us look with hope to the indications of an awakening civic conscience hinted at in these pages and to the probability of increased cheap facilities for travel in the near future, the interchange of teachers and students, increased facilities for colonials to enter the army and navy, a system of travelling scholarships, and similar means of promoting mutual knowledge. The latter may rob us of some of our best talent, for New Zealand is essentially a country of low salaries and high cost of living, but this deprivation would be cheerfully borne as part of the necessary price of more intimate relations. Union cannot come where mutual ignorance exists. We look forward therefore, and not remotely, to free interchange of persons and ideas among the different states. To this end the laws of naturalization and of marriage, and the requirements demanded for the practice of professions should be brought into harmony, more especially should mere traditional restrictions be removed.

And finally we feel sure the country would have been better pleased if our Parliament, which has been sitting continuously up to date for over three months, had devoted some time to the consideration of the forthcoming Imperial Conference; but, although there will be no other session before our representatives leave for the conference, it has been deemed worthy of mention neither in the Governor's speech nor in the debates on the Address-in-Reply, and if it is discussed at all it will be in the latter part of the session, when business is always rushed. To mention only a few points, the opinion of our politicians would have been particularly valuable on the question of two-yearly conferences, the establishment of a separate Department of the Home Government for Dominion affairs, and the desirability of initiating our conference representatives into some of the intricacies of foreign policy, of which at present they are largely in careless ignorance.

New Zealand, October 10, 1910.

# NEW ZEALAND POLITICS

## APPENDIX

Table I shows the approximate total defence expenditure of New Zealand, the expenditure per head, and the percentage which the defence expenditure is of the total general expenditure of the Dominion.

Table II shows the defence expenditure per head and the percentage which that expenditure is of the total Dominion expenditure averaged over quinquennial periods.

<i>Year.</i>	<i>Defence Exp.</i>	<i>Population.</i>	<i>Per Head.</i>	<i>Percentage of total expenditure.</i>
1898	146,000	743,000	3s. 11d.	2·3
1899	211,000	757,000	5s. 7d.	3·0
1900	181,000	768,000	4s. 9d.	2·5
1901	278,000	788,000	7s. 1d.	3·2
1902	319,000	808,000	7s. 11d.	3·8
1903	265,000	833,000	6s. 4d.	2·9
1904	282,000	858,000	6s. 7d.	3·2
1905	236,000	882,000	5s. 4d.	2·3
1906	209,000	909,000	4s. 7d.	1·7
1907	241,000	930,000	5s. 2d.	2·1
1908	234,000	961,000	4s. 10d.	1·8
1909	294,000	983,000	6s. od.	2·7
1910	450,000	1,000,000	9s. od.	4·8

<i>Quinquennial Period.</i>	<i>Expenditure per Head.</i>	<i>Percentage of Total expenditure</i>
1898-1902	5s. 10d.	3·0
1899-1903	6s. 4d.	3·1
1900-1904	6s. 6d.	3·1
1901-1905	6s. 8d.	3·1
1902-1906	6s. 2d.	2·8
1903-1907	5s. 7d.	2·4
1904-1908	5s. 4d.	2·2
1905-1909	5s. 2d.	2·1
1906-1910	5s. 11d.	3·4



PRINTED AT THE ARDEN PRESS, LETCHWORTH, AND PUBLISHED  
BY H. E. MORGAN, 55 FETTER LANE, LONDON, E.C.

